



NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

THESIS

**THE IMPLICATIONS OF THE RISE OF CHINA'S
MILITARY FOR MONGOLIAN SECURITY**

by

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June 2010

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| REPORT DOCUMENTATION PAGE | | | <i>Form Approved OMB No. 0704-0188</i> | |
| Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503. | | | | |
| 1. AGENCY USE ONLY (Leave blank) | | 2. REPORT DATE June 2010 | 3. REPORT TYPE AND DATES COVERED Master's Thesis | |
| 4. TITLE AND SUBTITLE The Implications of the Rise of China's Military for Mongolian Security | | | 5. FUNDING NUMBERS | |
| 6. AUTHOR(S) Bayar-Ochir Sukhee, LTC | | | | |
| 7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000 | | | 8. PERFORMING ORGANIZATION REPORT NUMBER | |
| 9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A | | | 10. SPONSORING/MONITORING AGENCY REPORT NUMBER | |
| 11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government. IRB Protocol number _____. | | | | |
| 12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited | | | 12b. DISTRIBUTION CODE | |
| 13. ABSTRACT (maximum 200 words) <p>China is transforming the People's Liberation Army (PLA) into an effective fighting force with power projection capability. The main objective has been to fill the gap between the PLA and leading military forces. China's military forces modernization coincides with its rapid economic growth and growing energy and resource needs. For these reasons, the Chinese Communist Party (CCP) leaders put forward new missions of the PLA, which may include securing China's interests abroad. This process certainly impacts indirectly, if not directly, Mongolia's security. Like other countries, Mongolia does not choose its neighbors. Hence, the geopolitical reality of living between its large neighbors, China and Russia, thus defines its fundamental security interests. Though Beijing is not likely to use force against Mongolia, and China and Mongolia currently enjoy friendly relations, it is uncertain how long this will last. Despite having no immediate external threat, China has continued modernizing its military with great ambiguity. Therefore, not only Mongolia, but also Western countries, including the United States, are wondering why China is pursuing these ambitious military modernization effort.</p> <p>Mongolia's underdeveloped economy, small population, absence of financial and technological capabilities, and rich natural resources certainly attract both big neighbors' attention. In particular, China has a particular interest, since its economic development requires lots of energy and resources. China may thus easily absorb Mongolia's economy, which affects every aspect of the security of Mongolia. Unfortunately, the history of Mongolia demonstrates episodes of difficult bilateral relations with both Moscow and Beijing. Therefore, this thesis argues that Mongolia must implement and maintain multilateral foreign and security policy with respect to both big neighbors, while effectively seeking a "third neighbor" to balance against China and Russia. Because, it is very difficult to assure Mongolia's security using military force, Mongolia must rely on diplomatic and political measures. In addition, Mongolia's military must also remain an effective tool supporting broader national security objectives.</p> | | | | |
| 14. SUBJECT TERMS Mongolian security, Chinese Communist Party, the People's Liberation Army, modernization, implication, multilateral policy, third neighbors, bilateral relations, balancing. | | | 15. NUMBER OF PAGES 125 | |
| | | | 16. PRICE CODE | |
| 17. SECURITY CLASSIFICATION OF REPORT Unclassified | 18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified | 19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified | 20. LIMITATION OF ABSTRACT UU | |

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MONGOLIAN SECURITY**

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Submitted in partial fulfillment of the
requirements for the degree of

**MASTER OF ARTS IN SECURITY STUDIES
(FAR EAST, SOUTHEAST ASIA, PACIFIC)**

from the

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ABSTRACT

China is transforming the People's Liberation Army (PLA) into an effective fighting force with power projection capability. The main objective has been to fill the gap between the PLA and leading military forces. China's military forces modernization coincides with its rapid economic growth and growing energy and resource needs. For these reasons, the Chinese Communist Party (CCP) leaders put forward new missions of the PLA, which may include securing China's interests abroad. This process certainly impacts indirectly, if not directly, Mongolia's security. Like other countries, Mongolia does not choose its neighbors. Hence, the geopolitical reality of living between its large neighbors, China and Russia, thus defines its fundamental security interests. Though Beijing is not likely to use force against Mongolia, and China and Mongolia currently enjoy friendly relations, it is uncertain how long this will last. Despite having no immediate external threat, China has continued modernizing its military with great ambiguity. Therefore, not only Mongolia, but also Western countries, including the United States, are wondering why China is pursuing these ambitious military modernization effort.

Mongolia's underdeveloped economy, small population, absence of financial and technological capabilities, and rich natural resources certainly attract both big neighbors' attention. In particular, China has a particular interest, since its economic development requires lots of energy and resources. China may thus easily absorb Mongolia's economy, which affects every aspect of the security of Mongolia. Unfortunately, the history of Mongolia demonstrates episodes of difficult bilateral relations with both Moscow and Beijing. Therefore, this thesis argues that Mongolia must implement and maintain multilateral foreign and security policy with respect to both big neighbors, while effectively seeking a "third neighbor" to balance against China and Russia. Because, it is very difficult to assure Mongolia's security using military force, Mongolia must rely on diplomatic and political measures. In addition, Mongolia's military must also remain an effective tool supporting broader national security objectives.

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LIST OF ACRONYMS AND ABBREVIATIONS

AAW – Anti-air Warfare
ADB – Asian Development Bank
AEWS – Airborne Early Warning and Control
APC – Armored Personnel Carrier
APEC – Asia-Pacific Economic Cooperation
ARF – ASEAN Regional Forum
ASAT – Anti-satellite
ASUW – Anti-surface warfare
ASW – Antisubmarine Warfare
AWACS – Airborne Warning and Control System
CCP – Chinese Communist Party
CMC – Central Military Committee
CPSU – Communist Party of the Soviet Union
DD – Department of Defense
EAS – East Asia Summit
EW – Electronic Warfare
EU – European Union
GA – Group Army
GLF – Great Leap Forward
GPCR – Great Proletarian Cultural Revolution
ICBM – Intercontinental Ballistic Missile
IFV – Infantry Fighting Vehicle
IMET – International Military Education and Training
IMF – International monetary Fund
IT – Information Technology
IW – Information Warfare
KMT – Kuomintang (Nationalist) Party of the Republic of China
MBT – Main Battle Tank
MFN – Most Favorite Nation
MID – Mechanized Infantry Division

MPR – Mongolian People’s Republic
MPRP – Mongolian People’s Revolutionary Party
MR – Military Region
NAM – Non-Aligned Movements
NATO – North Atlantic Treaty Organization
NCO – Non-commissioned Officer
NWFZ – Nuclear-Weapon-Free Zone
ODA – Official Development Assistance
PGM – Precision Guided Munitions
PLA – People’s Liberation Army
PLAAF – People’s Liberation Army Air Force
PLAN – People’s Liberation Army Navy
PRC – Peoples Republic of China
RMA – Revolution in Military Affairs
RMB – Renminbi (People’s money), Chinese currency
ROC – Republic of China
RRU – Rapid Reaction Units
SAM –Surface to Air Missile
SCO – Shanghai Cooperation Organization
SIPRI – Stockholm International Peace Research Institute
SOU – Special Operations Unit
SPH –Self-propelled Howitzer
SSBN – Strategic Ballistic Missile Submarine
SSM – Surface Ship Cruise Missile
SU – Soviet Union
TEL – Transporter-Erector-Launcher
UAV – Unmanned Aerial Vehicle
UN – United Nations
USAID – United States Agency of International Development
USSR – Union of Soviet Socialist Republics
WB – World Bank
WTO – World Trade Organization

ACKNOWLEDGMENTS

I would like to express my sincere appreciation and deepest gratitude to Professor Alice Lyman Miller and Professor Victoria Clement for guidance and assistance as thesis advisors. They deserve my special thanks for their time, patience, helpful critiques, and comments. It was my honor to learn from such outstanding professors and to attend classes at the Naval Postgraduate School. Without the vast sources and support from the staff, this thesis would not have been accomplished. I appreciate my fellow students and friends Douglas Kisby, Bryan Anderson, Phil Geelhood, Andrew Wilhelm, Dave Chesson, and Robert Boyce.

Finally, this thesis would not have been possible without the love, encouragement, support, and patience of my beloved ones, Narantuya, Ochir, Biligt, and Munkhbileg. They fully deserve my greatest appreciation.

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I. INTRODUCTION

A. THE MAJOR ISSUE

Landlocked and sandwiched between two giant nuclear powers, Mongolia must closely and carefully observe decisions, made in Moscow and Beijing, that influence Mongolia's security. The relatively stronger size in demography, economy, and military power of its two neighbors inevitably raises concerns in Mongolia regarding its foreign policy relationships. In particular, China's unprecedented economic growth and military modernization, and its gradual ascent as a regional power and an increasingly influential actor in the global arena, deeply concern Mongolia's national leaders.

Mongolia has benefited greatly from China's rapid economic growth by using the Chinese market to introduce its products into the international market. China's military rise, however, has negative implications for Mongolian security. In particular, the interests of Mongolia and China conflict in certain area, which certainly brings pressure and potential coercion from Beijing on Ulaanbaatar's decision making. The consequence of these concerns has been Mongolia's attempt to pursue an independent foreign policy that is neutral with respect to both big neighbors and balances against their power with powerful countries. This definitely goes against China's preference. Although China is unlikely to use force against Mongolia and Beijing's reputation would deteriorate if it did so, it certainly wants to create conditions favorable to China, and not others. Besides, continuity of China's friendly relations toward Mongolia is not guaranteed as Mongolia further develops its democratic principles.

B. IMPORTANCE

China has been pursuing a major military modernization campaign, because it recognizes how far its military lags behind the leading military powers of the world through observing the rapid and decisive military campaigns of the U.S. forces during the

first Gulf War, NATO operations in Kosovo, and operations in Afghanistan.¹ As China implements its military modernization, it directly challenges the principles of the Mongolian foreign policy in regards to multi-polarity, neutrality, and non-involvement. In addition, the richness of natural resources in Mongolia generates concern because of the rapidly growing Chinese energy requirements and China's growing efforts in seeking cheap energy and other resources everywhere in the world. As a result, China sees the need to protect its expanding interests and resource supply lines.² Undoubtedly, the People's Liberation Army (PLA) serves the interests of China, which may expand as time goes by. Mongolia's active search for a third ally ultimately contradicts how China perceives these countries, specifically the United States, Japan, and Germany.

Mongolia's Foreign Policy Concept focuses on certain dimensions while upholding peace and pursuing a multi-base policy. The first dimension is maintaining friendly relations with Mongolia's two immediate neighbors, China and Russia, while pursuing a non-involvement policy. The second dimension is developing friendly relations with a third neighbor. The third dimension is strengthening Mongolia's position in Asia and securing constructive participation in the region. The fourth dimension is promoting cooperation with the UN and other international organizations.³ The reason to focus on the UN and other organizations is to emphasize Mongolia's attempts to survive in its difficult context. However, as China's military rises and modernizes, and as it takes on new missions to address near and long-term political and economic requirements, new tasks have emerged. All these new tasks could run counter to Mongolia's attempts to provide security and raise its reputation in the international community by means of active involvement in international and regional organizations and, recently, its involvement in peacekeeping operations. Dominated by the single communist party and as an instrument of that party in China, the PLA undertakes dual missions, targeting both

¹ David Shambaugh, *Modernizing China's Military: Progress, Problems, and Prospects* (Berkeley and Los Angeles, University of California Press, 2002), 3–8.

² David Lai and Marc Miller, *Beyond the Strait: PLA Missions Other than Taiwan*, ed. Roy Kamphausen, David Lai and Andrew Scobell (Strategic Studies Institute Press, U.S. Army War College, 2009), 10.

³ For more details, visit the official Web site of Ministry of Foreign Affairs of Mongolia, <http://www.mfat.gov.mn/> (accessed 14 February 2010).

internal and external enemies.⁴ Therefore, for the purpose of regaining lost territory, Chinese leaders may easily use force against Mongolia as they did against their own citizens in 1989.

It is inevitable that the Asia-Pacific region will experience the rise of China's military. Particularly, Mongolia, which is seriously outnumbered, has deep concerns about lagging far behind Chinese military technology. Most Mongolian weapon systems were produced and exported from the Soviet Union in the 60s and 70s. There has been no significant military upgrading since the collapse of the Soviet Union. In contrast, despite the favorable security environment and without a pressing external threat, China's defense expenditure has been rising sharply since 1988. China's official military spending rose from 21.8B RMB in 1988 to 141B Yuan in 2001⁵ and it has skyrocketed in recent years.

C. PROBLEMS AND HYPOTHESIS

In order to analyze how the rise of China's military may affect Mongolian security, this thesis concentrates on Mongolia's relations with its two neighbors (with emphasis on China), its search of balancing partners, and Mongolia's active involvement in regional organizations, initiatives and activities (with emphasis on Shanghai Cooperation Organization). Unfortunately, Mongolia's dependence on China for commodities and on Russia for petroleum products constrains its efforts to avoid a deep dependency on either of its two neighbors. This dependence also affects Mongolia's attempts to avoid confrontations and develop relations with other countries. It even affects visits of the Dalai Lama to Mongolia, which have a purely religious purpose, but which China tries to influence or contravene. In order to limit Chinese influence, Mongolia emphasizes relations with third neighbors and international organizations to receive assistance on economic, political, and social development. This is the main reason Mongolia has had a preference for extracting and processing its strategic resources (such as copper, gold, coal, and lately uranium) with third-party countries or at least a

⁴ Lai and Miller, *Beyond the Strait*, 12.

⁵ Shambaugh, *Modernizing China's Military*, 193.

preference for having equal participation of Moscow and Beijing. Mongolia is rich in natural resources. Therefore, even while its uranium reserves are currently gaining greater attention, Mongolian decision makers are carefully diversifying investment partners in its nuclear industry and copper mining sectors to avoid over reliance on any single party.⁶

The second element of Mongolia's efforts is to expand relations with Western and Asian developed countries such as the United States, Japan and European Union countries, while pursuing friendly but not excessively close ties with its immediate neighbors. Former President Enkhbayar said that Mongolia's multi-polar foreign policy is the outcome of his country's concern not to be isolated.⁷ However, the PLA has developed dramatically in recent years. Besides the traditional duties of upholding national security and internal unity, the PLA has new tasks:

Providing an important source of strength for consolidating the ruling position of the CCP, providing a solid security guarantee for sustaining the important period of strategic opportunity for national development, providing a strong strategic support for safeguarding national interests, and playing and promoting common development.⁸

Chinese leaders and PLA strategists have a common assessment about the U.S. presence and influence in Asia-Pacific affairs. They view the United States as the greatest threat to international peace, as well as to China's own national security and foreign policy goals.⁹ Therefore, Mongolia's aspiration to expand its relations with the aforementioned countries—particularly the United States—contradicts the Chinese sentiment toward U.S. hegemony. So how should Mongolia address this?

Even though Chinese leaders continue to claim that they will not use force due to China's traditional peace-loving nature, Beijing's criticism of the hegemonic approach of the United States in international politics and the proven historical examples of its

⁶ Ram Sachs and Undraa Agvaanluvsan, "Feeling the Future: Mongolian Uranium and Nuclear Power Plant Growth in China and India" (Palo Alto, Stanford University Press, 2009), 1.

⁷ Li Narangoa, "Mongolia and Preventive Diplomacy, Haunted by History and Becoming Cosmopolitan," *Asian Survey* 49, no. 2 (Berkeley, CA) (2009), 372.

⁸ Lai and Miller, *Beyond the Strait*, 10.

⁹ Shambaugh, *Modernizing China's Military*, 288–289.

readiness to use of force to advance its national interest make it hard to believe that China is inherently peaceful. Furthermore, it is difficult to predict a different Chinese approach to international affairs and to believe that China will not use force to carry out its new missions. As China's power continues to grow and as its military modernization proceeds, the world may anticipate that it will not hesitate to show its will to protect its national interest at home and abroad with military power.¹⁰ In 2005, U.S. Defense Secretary Donald Rumsfeld stated, "China appears to be expanding its missile force and also improving its ability to project power, and developing advanced systems of military technology. Since no nation threatens China, one must wonder: Why this growing investment? Why these continuing large and expanding arms purchases? Why does China have these continuing robust deployments?"¹¹

Although China has demobilized some of its military personnel since the mid 1980s, ground forces are speeding up their "mechanization" process. The main reason for the large-scale demobilization was the decline of the potential Soviet threat. However, the change in military strength is also an indication of the regime's desire to create a real internal paramilitary force and to downsize the PLA's gigantic forces in order to alter the PLA into a more effective fighting force.¹² This assumption, along with the remaining ground force stationed north of the capital,¹³ certainly evokes concerns for Mongolia's security and its military transformation.

Another principle that Ulaanbaatar applies to its security is joining international and regional organizations and treaties that Beijing joins, and accepting responsibility for and adhering to principles that benefit Mongolia. The best example is the Shanghai Cooperation Organization. The main purpose of participating in this Chinese-Russian-led security organization is its emphasis on the principles of "sovereignty," "territorial integrity," and "no unilateral military superiority in adjacent areas." These are principles

¹⁰ Lai and Miller, *Beyond the Strait*, 21–22.

¹¹ Richard Fisher, *China's Military Modernization: Building for Regional and Global Reach* (West Point: Praeger Security International, 2008), 10.

¹² Shambaugh, *Modernizing China's Military*, 149–150.

¹³ *Ibid.*, 150.

that Mongolia strongly wants from its neighbors.¹⁴ Still, Beijing wants to show its dominance by pushing Mongolia to become a member of the organization to limit its independent policy within Beijing spheres of influence, while Mongolia is satisfied with its observer status. Indeed, both China and Russia oppose anyone consolidating influence in Mongolia.

Moreover, the Great Hural (parliament) of Mongolia has adopted a special law and resolution that declare its territory a nuclear-weapon-free zone.¹⁵ However, this approach may contradict China's aspirations to increase the reliance on atomic energy by claiming development for peaceful purposes with by-products that could be used in nuclear weapons. Conventional estimates place Mongolia's uranium reserves at 62,000 tons, but untested reserves may raise the estimate to 1.39 million tons, constituting the largest reserves in the world.¹⁶

It is difficult to apply any single international relations theory to Mongolia's security dilemma in a context of Chinese military modernization and economic development. The main schools of international relations theory do not adequately address this situation. In particular, both realism, which is based on the balance of threat or the balance of power, and alliance theories seem quite applicable for explaining Mongolia-China relationship. However, Mongolia's location between two daunting neighbors provokes a multi lateral foreign policy preference and it is not adequately addressed by the main claims of the above-mentioned theories. Additionally, Mongolia seeks a strong third partner to balance its neighbors' dominance.

Therefore, the main hypothesis of this thesis is to assess an applicable international relations theory for Mongolian security in relation to the inevitable rise of China and its military. The thesis also explains and links the theory to the current Mongolian preferences and priorities on national security. To do this, this thesis scrutinizes China's military modernization process since the end of the Cold War. The

¹⁴ Li Narangoa, "Mongolia and Preventive Diplomacy, Haunted by History and Becoming Cosmopolitan," *Asian Survey* (Berkeley, CA) 49, no. 2 (2009), 364–367.

¹⁵ Jargalsaikhany Enkhsaikhan, "Mongolia's Status: The Case for a Unique Approach," *Asian Affairs* (Heldref Publications) 27, no. 4 (Winter 2001), 224–226.

¹⁶ Ram Sachs and Undraa Agvaanluvsan, "Feeling the Future: Mongolian Uranium and Nuclear Power Plant Growth in China and India" (Palo Alto, Stanford University Press, 2009), 1.

thesis thus studies China's military modernization as an independent variable and its cause and effect on Mongolia's security as a dependent variable. The study may contribute a detailed analysis of contemporary China's military rise. Additionally, this thesis offers suggestions on state and military courses of actions for Mongolia's attempt to provide security.

The major findings in the Mongolia's security related literature show that it is very difficult or almost impossible to provide security in Mongolia using the military. The best way to provide security, highlighted in the National Security Concept, uses diplomacy and political measurements such as maintaining neutrality, seeking third partners, and engaging regional and international initiatives. In other words, Mongolia must actively contribute in global peace and stability to be recognized by more countries. However, military aspects should not be ignored. There should be focus on developing military members' (citizens as well) educational, scientific, intellectual, and information potentials is necessary. In other words, it emphasizes high technology training, specifically information and electronic assets, and develops the ability to conduct information (IW) and electronic warfare (EW). To engage a rational defense policy, Mongolia must improve and develop its "territorial defense" policy with an integrated defense system of close cooperation involving the armed forces personnel and the citizens. Providing support in the multinational operations in Iraq and Afghanistan and contributing troops in various peacekeeping and peace support operations are the appropriate examples of using its military to support Mongolian government's diplomatic policy to improve its stature in the regional and international arenas.

D. METHODS AND SOURCES

This research attempts to determine how the rise and modernization of China's military could affect Mongolia's security and its military transformation. As mentioned earlier, this thesis examines the main hypothesis of testing an applicable international relations theory for Mongolian security under the inevitable rise of China and its military, and attempts to explain and link this theory to the current Mongolian preferences and priorities on national security. Moreover, the thesis scrutinizes China's military

modernization process in detail. In order to assess this hypothesis, this thesis studies China's military modernization as an independent variable and its cause and effect on Mongolia's security as a dependent variable. Since the modernization process of China's military sped up after the end of the Cold War, the research focuses on the post-Cold War era.

As the thesis examines and applies international relations theories to the Mongolian case, it attempts to find the best-suited theory. The study tests theories on Mongolian relations with the immediate neighbors, third partners, and international parties. While applying theories, the thesis provides detailed research on China's military that could change the applicability of these theories. Moreover, the study measures China and Mongolia's economic transformations; their roles in, and commitments to military modernization; and both countries' media commentary, official government publications, and statements by political elites.

It is difficult to measure how the rise of China's military would affect Mongolia's security because it is clear that Mongolia is much smaller than China despite Mongolia's vast territory in the Asian plateau. It is also difficult to compare Chinese population or economic performance to small nations such as Mongolia. It is better to measure the development of soft power or human resource development. Ravdan Bold, thus summarizes that "the strength of a small nation is measured not by the wealth its land possesses but by its educational, scientific, cultural, intellectual, and informational potentials. In other words, today security is defined not by a country's self-defense capacity but by its capacity to survive and compete."¹⁷

It is, as well, a difficult task to acquire detailed information about China's military forces. The information in this thesis about the changes and transformation of China's military are based on secondary sources, such as newspapers, magazines, governmental statements, and Chinese and foreign analysts' comments and predictions. Another set of sources that are used to focus on the implications of Chinese military development are Mongolian Foreign policy and Security concepts, bilateral agreements and cooperation,

¹⁷ Ravdan Bold, *The Security of Small State: Option for Mongolia* (Ulaanbaatar: The Institute of Strategic Studies press, 2000), 36.

Mongolia's state and military administrations' official view, professional magazines and newspapers, government and analysts' thoughts, interviews, and writings. Moreover, Chinese newspapers, government officials' speeches, professional magazines, and government and military officials' judgments are valuable sources although accuracy is questionable.

E. STRUCTURE OF THE THESIS

This thesis consists of five chapters. The first chapter briefly explains the research questions and methodology, applicable theories, and research tools and aspects. The second chapter is entirely devoted for the Chinese military modernization. Chapter III assesses the implications of the Chinese military modernization for Mongolian security. Chapter IV discusses possible options, choices, and likely courses of action to maintain security in Mongolia. The last chapter concludes with the findings of the thesis as Mongolia attempts to provide security while being under the eminent and looming threat of Chinese military forces and economic domination.

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II. CHINESE MILITARY MODERNIZATION

The Chinese military started its modernization process in 1985. At a Central Military Committee meeting, Deng expressed his opinion that China no longer faced was “early, major, and nuclear war,” as seen by Mao, but rather “local, limited war.”¹⁸ Since the 1980s, China has been pursuing ambiguous objectives in transforming and modernizing its military doctrine, weapons and equipment, and it has become a major issue for China experts to determine these goals. This chapter provides some assessment on doctrinal and other transformations of all services in the PLA, and attempts to reveal the roots of this rapid modernization.

David Blasko argues in his book:

Because the threat of major war was low, a “bloated” PLA could take its time to reform, focusing first on downsizing its four million-plus force. But also, because a major threat was not imminent, it was not necessary for the Chinese government to sink vast sums of money and natural resources to modernize the PLA rapidly. In its early years PLA modernization, therefore, focused primarily on relatively inexpensive reforms such as personnel reductions, force restructuring, and doctrinal updates.¹⁹

Though Chinese military expenditure has grown steadily, it has been a difficult task to modernize a totally outdated military force after the proclamation of the People’s Republic; in other words, China started from zero. Recently, however, the PLA has enjoyed large budget increases and accomplished the tremendous advances in renewing its military equipment, updating its weapons systems (acquisition), and improving doctrines to launch effective and rapid operations in any corner of its vast territory. The PLA ground force has started to strengthen its rapid reaction units with airborne assets. The reduction of the troops also enables the ground forces to save certain expenditures and to increase its ability to build quick reaction forces. The PLA Navy purchased newer—though not the latest, surface combat ships and submarines with longer

¹⁸ Dennis J. Blasko, *The Chinese Army Today: Tradition and Transformation for the 21st century* (Routledge: Taylor and Francis Group Press, 2006), 11.

¹⁹ Ibid., 5.

operational ranges—while it apparently pushes hard to attain carrier capability. The PLA Air Force has been assiduously working on the project of introducing a Chinese-made, state-of-the-art fighter, while it continues acquiring the latest aircraft from Russia, and works to improve its aerial refueling capability and operational range.

A. ROOTS OF THE MODERNIZATION

States have a special interest in their citizens' well being. In order to ensure their citizens well being, states provide services. One of the important services is the security of the state. In order to provide security and stability, states define political and economic objectives and policy, which are shaped and influenced by various external and domestic aspects. After Mao's death, his legacy has continued affecting the modernization and transformation of the Chinese military. However, his own idea of waging the "People's War," using China's large population and vast territory to overcome the enemy's technological superiority,²⁰ started to fade. By the end of the 1970s, Deng Xiaoping announced that the possibility of the major war or total war was no longer imminent; therefore, Chinese military needed to start a long-term military modernization.²¹ In addition to this announcement, Deng and Chinese military leaders discussed the change of the "people's war" doctrine to "people's war under modern conditions." When China's relationship started to normalize with the United States in the beginning of 1970s, Deng introduced the idea of "local and limited war." His main claim of changing from the "people's war" concept to a "local and limited war" was the normalization of relations with the United States, and China was no longer facing the threat of an imminent and total war. Later, his idea was supported by the rapprochement of the Soviet Union and People's Republic of China (PRC). The root of today's modernization thus had evolved throughout the history of the PRC, and the first Gulf War dramatically changed the military doctrine and ignited the long-term modernization of the PLA.

²⁰ Shambaugh, *Modernizing China's Military*, 58.

²¹ *Ibid.*, 5.

1. Foreign Influence

Since the creation of the PRC, relationships with the Soviet Union, and later with the United States, deeply affected Chinese military development and strategy as well as domestic politics. Having a good relationship with one of these superpowers, and standing hostile to another, has been the best achievement in Chinese military history in terms of providing security.

In the beginning years of the PRC, the Chinese military enjoyed extensive military assistance from the Soviet Union; eventually the two countries' relationship deteriorated and split. When Chinese Communists came to power in 1949, they faced the urgent task of converting their victorious but primitive army into an armed force capable of defending China from external enemies. It was a superb guerilla force, but lacked many aspects of the modern professional military, such as modern naval and air arms, centralized command structure, sophisticated communications and logistics systems, and, most importantly, professional officers and non-commissioned officers. The Chinese Communist Party (CCP) leaders, including Mao, agreed at once to overcome these deficiencies without delay.²² They turned to the Soviet Union because both were Communist states. The Sino-Soviet treaty was signed in 1950, but the other superpower, the United States, did not recognize the Chinese Communist government. The military assistance that was begun during the Korean War was accelerated and expanded after the ceasefire, reaching an estimated cost of U.S.\$2 billion by 1957. This assistance program was essential for the military transformation of the PLA that China could not acquire from any other sources. Throughout this period, many Chinese officers studied in Soviet military academies, a number of Soviet advisors arrived in China, and reorganization and professionalization according to the Soviet model were taking place.²³ Domestically, during the initial period of the PRC, Mao and other leaders of the Communist Party had a harmonious relationship during the swift change in the PLA.

In the end of the 1950s, however, Beijing and Moscow's relationship had started to deteriorate, which led to the cut-off not only of military supplies and assistance but

²² Ellis Joffe, *The Chinese Army after Mao* (Cambridge: Harvard University Press, 1987), 3.

²³ *Ibid.*, 6.

also of economic aid. Furthermore, the two countries' relationship was split for various reasons, and the antagonizing period had arrived. During this period, both Beijing and Moscow referred to each other as the greatest potential enemies and started the build-up of their militaries in the peripheral areas; the danger of nuclear attack was imminent. China thus emphasized its own ability with the ambitious perspective and strategy of Mao. Self-sustainment was considered the only way to survive. The harsh condition, of having both superpowers of that era against China, had hindered the military transformation. Immature economic development and the loss of its immediate patron further exacerbated China's situation. Chinese military modernization was hampered, so it placed much greater effort into building the nuclear capability to prevent a Soviet Union attack on the mainland. In the meantime, Beijing confronted Washington's hostility over the Taiwan Strait issue.

During the early 1970s, Beijing's attitude shifted, and the United States changed its rigid stance toward China. It was a huge relief for the Communist leaders in China, and they did not want to lose a chance of neutralizing one superpower's hostility. While China and the United States began their collaboration—deepening their relations as well as decreasing the tension—the Sino-Soviet confrontation still existed, though the imminent threat of the escalation of war seemed unlikely. Consequently, at the end of the 1970s, China reconsidered its security perspective, after the death of Mao, and shifted from the preparation for the total war against the Soviet Union to the local war in Chinese periphery.

When Leonid Brejnev died and the new generation of Soviet leaders emerged in the beginning of the 1980s, the Sino-Soviet relationship began to improve. For this reason, the possibility of the border war between China and the Soviet Union was greatly diminished. Along with “perestroika” in the Soviet Union and the decline of the communist regime, Beijing and Moscow resumed bilateral talks and the Soviet Union military assistance and arms sales regained and further increased. After the Tiananmen crises, many Western countries including the United States blamed Beijing; they stopped their partnership with China and embargoed military assistance. The Soviet Union—later its successor, Russia—only kept the relationship with China out of the major powers.

After the 1990s, Russia became the sole provider of the modern military technology to the PLA. Since the collapse of the communist system, Russia became a main source of the Chinese military modernization. Even today, China has continued to purchase the latest models of arms and military equipment from Russia.

The first Gulf War, however, totally changed the PLA experts and scientists' speculation of modern warfare. The coalition operation led by the United States demonstrated that information technology had become inseparable from the modern war. The PLA commanders and the CCP leaders were shocked by the intensity and the speed of the operation. The shock worsened during the North Atlantic Treaty Organization (NATO) intervention in Kosovo, which had a profound effect on national leaders. As a result, Chinese leaders acknowledged the lag between the PLA and the leading militaries in the world, and the need for intense progress in its military modernization program.²⁴ China began putting great effort and resources into modernizing its military and implementing huge projects to catch up with the leading military powers. The PLA transformation, however, is being implemented with far fewer financial resources than the U.S. Army transformation of 70s and 80s.²⁵

2. Domestic Influence

When Communists defeated Nationalist forces and expelled the Republic of China (ROC) authorities to Formosa Island, the CCP confronted a serious legitimacy issue. The new Communist state was recognized by only a few socialist states and there was a sovereignty dilemma. No Western powers, including the United States, recognized the newly established state, and the ROC government still represented China in the UN. Therefore, China had only one choice to lean toward the Soviet Union in order to provide breathing space and time to build the national economic structure and strong military forces. In other words, the PRC's foreign relationships greatly influenced its domestic affairs and national leaders.

²⁴ Shambaugh, *Modernizing China's Military*, 3–7.

²⁵ Dennis Blasko, "Conference report: *The PLA in the New Century*," ed. Richard Bitzinger (Singapore: The S. Rajaratnam School of International Studies, 2008), 12.

Specifically, Mao had relentlessly pursued the harsh domestic policy shaped by his ideological belief of building a socialist society. According to Mao's view, a "class struggle," to eliminate bourgeois classes, was the main instrument to build the socialist society, and the main method was the constant revolution using the mass population of China. For this reason, he constantly urged and emphasized the superiority of the "human element" in military doctrine. However, the PLA took successful initial steps toward professionalism, such as creating professional officer corps; establishing military schools and academies; setting up for military routine service and military ranks; and forming the Soviet style military structure, formation, and discipline. Unfortunately, these measures were the apparent departure from Maoist military principles and practices. Ellis Joffe cites, "The Maoist model had several unique features designed to cultivate the 'human element.' It emphasized voluntaristic motivation and conscious discipline. It encouraged comrade relations, informality, and egalitarianism between the ranks, based on long years of close and intimate association."²⁶

As a result, Mao's unilateral approach, regardless of professional military advice, truly impeded military modernization while he was in charge. All the leaders who were against his approach were purged or moved away from their positions. The first victim was Marshal Peng Duhai. Peng was a profound supporter of the professionalization of the PLA and he was Defense Minister when he was purged. This is one the incidents that Mao was doing to clear his path building a socialist society according to his ideological belief. Consequently, party leaders gave precedence to political and ideological factors on which the superiority of the "human element" depends. The professional military argued instead that the success of an army in a modern war depends first and foremost on its material resources and professional competence.²⁷

The deterioration of the Sino-Soviet relationship toward the end of the 1950s further exacerbated China's domestic situation. Stalin's death in 1953, the power struggle within his successors, and Mao's belief that the new Soviet leaders should acknowledge him as a central figure in the socialist system were the main causes of the two countries'

²⁶ Joffe, *The Chinese Army after Mao*, 8–9.

²⁷ *Ibid.*, 10.

split. Khrushchev's new policy of the "peaceful coexistence" definitely opposed what Mao had speculated. China was profoundly affected by the Russian launching of an Intercontinental Ballistic Missile (ICBM) and the orbiting of Earth satellites. Mao expressed his famous metaphor, "The East wind prevails over the West wind." In reality, Russians did not want to attack using their achievements, but to reach an agreement with the United States. This course was unacceptable to the Chinese that they could be left without any fulfillment of their objectives.²⁸ Certainly due to these discontents, Mao launched artillery bombardment of the offshore island in the Taiwan Strait to test whether the Soviets and the Americans would keep their promises to China and Taiwan.

Mao's adamant belief in constant revolution in order to maintain his agenda and power, and his blame of everyone who had been inconsistent with it, truly impacted domestic development and the PLA modernization. In fact, the PLA modernization halted, its professional tendency stepped back, ranks were abolished, and political education in the all levels of the PLA had resumed. The bitter outcomes that Chinese people experienced during this period were the erroneous policy decisions to launch the Great Leap Forward (GLF) movement and the Great Proletarian Cultural Revolution (GPCR). The CCP leaders' consensus was the main domestic leverage of the defense modernization in China, but it was truly eradicated by Mao, as China was antagonizing by both superpowers.

Mao's successor, Deng Xiaoping, had a difficult time reviving the domestic economy as well as the deeply politicized PLA. The prolonged involvement in politics during the GPCR put the PLA in a very important position, its leaders obtained a powerful voice in policy-making councils, and its officers and personnel assumed wide-ranging political and administrative responsibilities throughout the country. As a result, the PLA lost most of the military concerns and became largely autonomous from civilian control. Therefore, Deng's first and foremost task on the PLA was to remove it from politics and reassert political control over it.²⁹

²⁸ Joffe, *The Chinese Army after Mao*, 11–12.

²⁹ *Ibid.*, 149

B. EVOLUTION OF DOCTRINE

Chinese military doctrine has changed significantly since the foundation of the People's Republic, due to shifting foreign circumstances and the leadership transition. David Shambaugh noticed that doctrine is essential to Chinese military modernization; and it has been not only the abstract study of warfare, but also a vital aspect of how the PLA is organized and prepares to apply lethal force.³⁰ Richard Fisher emphasizes studying the importance of the PLA doctrine, stating,

The study of a country's military doctrine is crucial as it can go far to explain its strategic stance and the type of operations a country deems necessary, and thus the force structure it may seek. This can be combined with assessments of actual military activities and equipment modernization to derive a more complete assessment.

China's primary operational strategy guideline is called "Active Defense," which stipulates that "China does not initiate wars or fight wars of aggression."³¹

1. People's War

For many years, the PLA's main military strategy has been known as "active defense." The term originated during the Chinese revolutionary war, when Mao proposed a military strategy of "offensive defense" or "defense through decisive engagements,"³² in which PLA units would actively engage the enemy, exploiting its weak points and attempting to destroy enemy capabilities and will.³³ Active defense is an important aspect of the "people's war" concept. Shambaugh highlights, "The Maoist theory of the people's war is often regarded as passive warfare of necessity to "lure the enemy in deep" in order to overcome the enemy's technological superiority by playing to the strengths of geography and the civilian population."³⁴

³⁰ Shambaugh, *Modernizing China's Military*, 56.

³¹ Fisher, *China's Military Modernization*, 68.

³² Mao Zedong, *Selected Works of Mao Zedong, Vol. I* (Beijing: Foreign Language Press, 1965), 207.

³³ *Ibid.*, Vol. IV, 104.

³⁴ Shambaugh, *Modernizing China's Military*, 58.

The main element of the “people’s war” concept had been the “human element” prior to the material resources and professionalization. Superiority of the human element enabled the Chinese Communists to confront far stronger and advanced military forces or enemies. This Maoist model had several unique features, such as comradely relations, informality and egalitarianism and supreme significance of close cooperation with the civilian population, designed to utilize humans rather than material resources. The main concept was using highly motivated Chinese soldiers against the technologically and materially superior enemy forces. In addition, China’s vast territory and difficult terrain and support of the population should provide the PLA space to maneuver even though it was significantly inferior to major military powers and did not have access to modernization resources.³⁵

In other words, the people’s war doctrine allowed Chinese leaders, particularly Mao, to answer security problems that China was facing after the Soviet Union cut military assistance. It was perhaps the only choice for Mao because China was lacking the necessary assets to deter or resist foreign aggression during this period. Therefore, he took the old doctrine used during the revolutionary war of bringing invaders deep into the mainland and fighting a war of attrition instead of protecting its boundaries. The industrial centers were sacrificed and the long-lasting guerilla war had become the main method to wage war. As China had been facing both superpowers during this period, self-reliance became a major resource and engine to develop the Chinese economy and resist the imminent Soviet threat, though some leaders had different opinions.

2. People’s War Under Modern Conditions

Mao Zedong was an adamant and influential leader who halted the transformation and modernization of the PLA. Immediately after his death, Deng consolidated his power and started the transformation of the PLA. China’s relationship with the United States gradually improved, and China was no longer facing dual superpower adversaries, though the potential Soviet threat remained. The advantage during the close relations with Western powers was the exposure to foreign technology after years of separation from

³⁵ Joffe, *The Chinese Army after Mao*, 71.

the superpowers. In other words, China had access to Western technology, from the United States in particular, that could facilitate modernizing the PLA. After the Soviets cut their military assistance at the end of the 1950s, China pursued a “self-reliance” policy and experienced the hardest time and chaos in its Communist history.

There were serious questions about the viability of the “people’s war” doctrine. Steady improvements in military technology, which brought unprecedented accuracy, range, and destructiveness of the Soviet weaponry, raised a continuity question on the Maoist doctrine. These improvements gave the Soviets an enormous capability to strike decisively with astronomical damage in the initial stage and infiltrate quickly into the deep mainland. In addition, modern weaponry—nuclear weaponry in particular—had a destructive effect that could disable the major economic, military, and political centers in the North-east.³⁶ Many dignitaries became concerned about this issue, and the new term of doctrine was generated: “people’s war under modern conditions.” Then-Defense Minister Xu Xiangqian notes:

War is now conducted in a way different from that in the past. ... The target of attack, the scale of war, and even the method of fighting are new to us. ... Our military thinking must tally with the changing conditions. If we treat and command a modern war in the way we commanded a war during the 1930s and 1940s, we are bound to meet with a big rebuff and suffer a serious defeat.³⁷

Deng observed in his speech that the main idea— “lure the enemy in deep”—was no longer appropriate to the “people’s war under modern conditions.” His main idea on terminology was changing, from “lure the enemy in deep” to “active defense,” and he suggested this defense should not be fought in the depths of the mainland. Instead, he advised a “frontier defense” terminology³⁸ since China’s main industrial and economic centers, which were a first priority in Deng’s “four modernization,” were all located in the eastern coastal areas. Furthermore, he highlighted the emphasis on weaponry instead

³⁶ Mark Burles and Abram N. Shulsky, *Patterns in China’s Use of Force: Evidence from History and Doctrinal Writings* (Washington, DC: RAND Press, 2000), 26–27.

³⁷ Ibid., 26.

³⁸ Shambaugh, *Modernizing China’s Military*, 62.

of the human factor in war, which suggested the military modernization. This tenet, however, went exactly against the Maoist human wave thought.

Nan Li points out several differences in strategic aspects of the “people’s war” and the “people’s war under modern conditions.” First, instead fighting in the deep interior of China during the “people’s war,” the PLA should attempt to defeat the enemy close to the border under the latter one. Second, under the people’s war, China would not place emphasis on the initial phase of war, but under the “people’s war under modern conditions,” early battles became more significant in influencing the course of war. Third, under the latter, positional warfare was stressed. Fourth, the latter one suggests that cities were considered vital centers to be defended, which was a significant departure from the Maoist thought of abandoning cities and using vast rural areas where enemies could be scattered and defeated piece by piece. Finally, the Chinese started to talk—under the “people’s war under modern conditions”—about retaliating when the enemy forces use nuclear weapons because, by the end of the 1980s, China had developed and deployed a small but usable strategic nuclear force.³⁹ This was the indication that some aspects of the people’s war doctrine remained, even after China changed its doctrine. Then-Chinese forces still were unlikely to be able to stop the far better-equipped Soviet army at the border. Thus, a successful accomplishment of the new doctrine still required a prolonged war of attrition.⁴⁰

3. Local and Limited War

During the early 1980s, the Soviets went through a series of leadership changes and finally Gorbachev became the new leader of the Soviet Union. Due to Gorbachev’s new policy, the Sino-Soviet relationship started to improve. In 1985, PLA war doctrine and strategic principles had changed significantly to include a type of war that the PLA should be prepared to fight. The PLA doctrine shifted the emphasis from foreign to local. Burles and Shulsky state, “In late spring 1985, China’s Central Military Committee

³⁹ Nan Li, “The PLA’s Evolving Warfighting Doctrine, Strategy, and Tactics, 1985–95: Chinese Perspective,” in *China’s Military Transition*, ed. David Shambaugh and Richard Yang (New York: Oxford University Press, Inc., 1997), 179.

⁴⁰ Burles and Shulsky, *Patterns in China’s Use of Force*, 29.

(CMC) instructed the PLA that it was no longer necessary to prepare for “early war, major war, and nuclear war” with the Soviet Union. Instead, the CMC declared that PLA strategy should focus on preparing to fight and win a “local” or “limited” war (*jubu zhanzheng*).⁴¹ At one meeting, Deng Xiaoping told the PLA generals that future conflicts were likely localized yet intense. He continued, “The danger of a global war may continue to exist. But it is possible that large-scale, global war will not take place in the coming long period of time.”⁴² Chinese military leaders and intellectuals began to express that local and limited war would replace total war as the common form of contemporary world.⁴³

David Shambaugh states:

Chinese defense analysts characterized local or limited wars as conflicts that were geographically localized, did not spread to regional or global proportions, and usually involved only two combatants. They were often fought for ethnic, religious, or political reasons. They were generally short and the combatants generally deployed massive ground forces and various land weapons. Conventional weapons were prominently used and the use of air power was minimal. Some were fought over natural resources, many involved boundary disputes. Some were fought by client states of major powers, and some were fought to ensure local or regional “hegemony” or spheres of influence.⁴⁴

There was a central question: Why was local and limited war more likely to occur as the danger of a global war continued into the middle of the 1980s? The Soviet Union still stood tall within the Communist regime, and the United States had continued to enlarge the military and its presence. Some analysts call this period a “Second Cold War.” Although China enjoyed the improving relationship with both the United States and the Soviet Union, a bipolar system had existed undeniably. Nan Li mentions several reasons local war was more likely to occur than major war. First, total war was too destructive while both superpowers could not compromise. They needed a middle-range

⁴¹ Burles and. Shulsky, *Patterns in China’s Use of Force*, 29.

⁴² Nan Li, 182.

⁴³ Shambaugh, *Modernizing China’s Military*, 64.

⁴⁴ *Ibid.*, 64–65.

form of struggle. Second, technologically superior forces needed a testing ground for new weapons. Third, local war was a less costly alternative. Fourth, while superpowers avoided direct confrontation, they competed with each other for strategic assets and resources through local wars. In addition, scarce natural resources could initiate and reactivate territorial disputes. Finally, civil conflicts and territorial and ethnic tensions would become stimulating factors to increase the likelihood of local war.⁴⁵ Li notes that local war focused first on political and diplomatic factors, and a final resolution tended to be achieved through negotiation and compromise. The intention of local war has not been the annihilation of the enemy, instead enhancing diplomatic initiatives, intimidating the enemy psychology, and acquiring economic resources.⁴⁶

In the strategic perspective of local and limited war, Nan Li introduces the concepts of “strategic frontier,” and “strategic deterrence,” and on the warfighting level, several new strategic principles “winning victory through elite troops,” “gaining initiative by striking first,” and “fight a quick battle to force a quick solution.”⁴⁷ Such concepts and principles embody notions of focusing on specific areas using more professional troops with modern equipment, extending frontier defense beyond the traditional peripherals, and demonstrating Chinese military power beyond practicing only for war. These principles clearly departed from the Maoist people’s war doctrine and strategy, but still contained some speculations. The battlefield tactics concentrated on rethinking the traditional offense and defense operations and the new concept of “in-depth-strike.”⁴⁸

Along with the change of these concepts, the PLA aimed to build military units that were capable of waging both offensive and defensive operations simultaneously or shifting quickly, because of the development of precision-guided munitions and their increasing accuracy and destructiveness. Additionally, the PLA aspired to have units with

⁴⁵ Li, “The PLA’s Evolving Warfighting Doctrine, 182.

⁴⁶ Ibid., 183.

⁴⁷ Ibid., 186–188.

⁴⁸ Ibid., 190–191.

the capability of destroying important in-depth enemy targets using effective, all in depth firepower strikes; quick penetration; and beyond forward-control assault assets, equipment, and training.

Traditional inland-based military objectives and ground forces priorities changed during this period and, along with the strategic frontier concept, the PLA Air Force (PLAAF) and the PLA Navy (PLAN) roles increased. Chinese military leaders stressed the importance of maritime territory and the defense of contiguous islands and coastal areas. Chinese strategic frontier concept delineates the territorial parameters of a nation's perceived national security interests—territories to which it could be willing to commit military forces in pursuit of goals that it defines to be in its national interests. The principal shifts were from continental to maritime and national to regional definitions. Therefore, PLAN and PLAAF roles increased dramatically and the priority to modernize shifted. Along with this shift, Chinese military leaders had to work on the coordination between ground forces and aerial and naval forces; thus, a joint operations concept was introduced. In order to modernize its air and naval forces, the PLA needed a technological upgrade, which China lacked during this time. In 1984, the PLA changed its large division-sized forces into brigade- and battalion-level units and developed mobile and rapidly deployable “fist units” on an experimental basis.⁴⁹ The PLA required a great deal of funding to fulfill these objectives, so it started the force reduction process in 1985. However, the PLA still lacked funding and initiatives to accelerate its modernization, despite the more offensive nature of the in-depth concept.

4. Local and Limited War Under High Technology Conditions

The Gulf War in 1991 truly opened Chinese military leaders' eyes to modern military technology that could swiftly decide the fate of the war. The U.S.-led coalition operations against the world's fourth largest forces in Iraq demonstrated the significance of the modern technology. The more supporting and shocking effect of this opening was that Iraqi armed forces deployed Chinese weaponry and equipment that was totally annihilated and showed a pathetic performance against the U.S. military. However, the

⁴⁹ Shambaugh, *Modernizing China's Military*, 65–66.

Chinese were not absolutely surprised by the U.S.-led coalition forces' performance. Introducing the local and limited war concept six years prior to the Gulf War prevented Chinese forces from feeling completely shocked. With the Sino-Soviet rapprochement and the increasing pace of Chinese economic development, the PLA started an unprecedented reform and modernization. However, following the Tiananmen incident, Western countries embargoed military technology transfers, which apparently hitched the Chinese military modernization program.

The Gulf War certainly had a jarring effect on the PLA generals and analysts. Shambaugh contends:

Nearly every aspect of the campaign reminded the PLA High Command of its deficiencies: electronic warfare; precision-guided munitions; stealth technology; precision bombing of military targets with minimized collateral damage; the sheer number of sorties flown, with minimal loss of attack aircraft and life; campaign coordination through airborne command and control systems; the deployment of attack aircraft from half a world away using in-flight refueling; the use of satellites in targeting and intelligence gathering; space-based early warning and surveillance, the airlift and rapid deployment capability and so on.⁵⁰

Godwin also states, "Following the Gulf War, China's military strategists placed even greater emphasis on technology, modifying their depiction of future conflict from limited war to 'limited war under high-tech condition.'"⁵¹ The broad usage of modern military technology manifested the importance of it, and the war experience and analysis became the major leverage for hastening the PLA modernization. The shocking effect of modern military technology underscored the restraints of the PLA's ability to fulfill the objectives of local and limited war's requirements due to the lack of these new technologies.

According to Nan Li's argument, the Gulf War "served to eliminate the lingering doubts among Chinese strategic planners on introducing the new local war doctrine,

⁵⁰ Shambaugh, *Modernizing China's Military*, 69–70.

⁵¹ Paul H. B. Godwin, "From Continent to Periphery: PLA Doctrine, Strategy and Capabilities towards 2000, in *The China Quarterly*, no. 146, Special Issue: *China's Military in Transition* (Cambridge University Press, June 1996), 473.

principles and tactics. The Gulf War demonstrated that the resolution of high-tech local war tends to be quick and lethal, hence validating the principle of “fighting a quick battle to gain a quick solution” and showing the undesirability, even impossibility, of fighting a protracted war of attrition under the conditions of modern, limited war.”⁵² Chinese analysts also expressed their concerns over the lessons they learned from the Gulf War and urged the importance of facilitating the modernization process to fill the gap between the advanced military and the PLA. Major General Wang Zhenxi mentions some lessons they learned, such as the importance of electronic warfare as a central ingredient of modern warfare and an integrated command and control system, particularly Airborne Warning and Control System (AWACS) and satellites, the requirement of improving the survivability of Chinese weapons, command and control units, and precision guided munitions and upgrading logistics stocks and night-vision equipment, etc.⁵³ Former Chinese President Jiang Zeming states:

The facts of the Gulf War have shown that along with the utilization of high technology in the military arena, the enhancement of precision attack weapons and unprecedented operational intensity, the characteristics of sudden, three-dimensional, mobile, rapid, and in-depth attacks have become more prominent, and the use of high-tech superiority has obviously taken hold of the strategic initiative to an even greater degree.⁵⁴

Consequently, China emphasized modern military technology, especially air force and naval equipment and weaponry, because of the nature of local and limited war that could be fought in the peripheries. The demise of the Soviet Union and its disintegration into fifteen separate states clearly affected the Chinese military doctrine and stimulated this process. However, with the Tiananmen crisis, the Western countries, led by the United States, started blaming the Chinese government for the serious violation of human

⁵² Nan Li, “The PLA’s Evolving Warfighting Doctrine, 185.

⁵³ Shambaugh, *Modernizing China’s Military*, 72.

⁵⁴ David M. Finkelstein, “China’s National Military Strategy: An Overview of the ‘Military Strategic Guidelines,’” in *Right-Sizing the People’s Liberation Army: Exploring the Contours of China’s Military*, in Roy Camphausen and Andrew Scobell (Carlisle: Strategic Studies Institute, U.S. Army War College Press, 2007), 102.

rights, and banned arms and military technology sales. This led China to turn to Russia for acquisitioning modern military equipment and developing its indigenous military industries. Shambaugh highlights:

The PLA intensively studied and quickly began to assimilate doctrinal lessons learned from the Gulf War into reform of the force structure. The PLA goal is clearly to develop a multifaceted, technologically modern force structure capable of pursuing multiple missions in a regional context. The CMC shifted its military modernization priorities 'from quantitative to qualitative and from manpower-intensive to technology-intensive mode in army building.' Under modern conditions, high technology has become the basic factor and new area of growth in the combat effectiveness of the armed forces.⁵⁵

Along with the stress of the air force and naval forces modernization priority, joint operations concepts required new emphasis. The PLA sought a more capable, formidable and modern air force with extended range and better weapons, while attempts to build AWACS and aerial refueling capability. Chinese military leaders realized the significance of effective air support during naval battles, because China has a wide-ranging coastline and maritime boundary. China made a significant effort to improve its blue-water capability in order to protect its claimed island chains and water territory because the most potential threats or conflicts could occur in the Taiwan Strait and the South China Sea. In other words, the PLAAF and PLAN play a major role in the active defense in the Chinese periphery.

The PLA also paid a great amount attention to the Revolution in Military Affairs (RMA), which extensively use information technology (IT) and computer systems in the battlefield and modern warfare. The considerably well-developed civilian computer technology sectors enabled the PLA to develop IT capability and apply it to their doctrine, weapon systems and training. Shambaugh adds, "Computers and satellites have thrust warfare into an entirely new information age. They also transformed air and ground

⁵⁵ Shambaugh, *Modernizing China's Military*, 73–74.

warfare. The information age has revolutionized the physical domain of combat, for the first time providing modern militaries with the hope of achieving ‘total battlespace awareness.’”⁵⁶

5. Conclusion

According to military writings and analyses, the PLA realized the significance of modern technology and the speed of its development. Moreover, Chinese Communist leaders learned that the PLA lagged far behind the leading military forces, particularly the U.S. military, in the operational tempo, weapons modernization, and a warfighting doctrine. Therefore, Chinese leaders and military intellectuals applied significant changes to China’s military doctrine, though they still need more resources and time to catch up. Since the intensification process of the modernization after the Gulf War, the PLA has managed to acquire some modern equipment such as planes, ships and submarines and considerably improved the domestic military industrial ability. Hitherto, China possesses a far stronger military force than any other state in the region and improving its military’s power projection capability. Since the PLA remains a major instrument to ensure the CCP legitimacy and the CCP realizes that a strong military is an important pillar of a great power, China will continue to build up and modernize the PLA in order to accomplish objectives in its new military doctrine. With the modernizing and effective military, China poses a potential threat to other nations, particularly a small, neighboring country such as Mongolia. The next part of this thesis discusses the PLA services’ paradigms, sizes, and modernization processes.

C. PLA FORCES

The previous sections in this thesis highlighted the shifting priority of the ground forces to naval and air forces due to the changing nature of international stability and order and the Chinese military doctrine. The Chinese leaders have emphasized quality over quantity in order to maintain the military capability as the PLA steadily has reduced its personnel. However, military modernization in China was based on doctrinal shifts

⁵⁶ Shambaugh, *Modernizing China’s Military*, 75.

during various periods of time. For instance, the PLA puts a great amount of resource to modernize the PLAAF and PLAN, while transforming the PLA ground forces into a more mobile, effective, and modern forces and this tendency is based on the local and limited war under high tech condition doctrine.

The vast majority of the PLA ground force equipment is produced by the Chinese defence industries. Most of the newer equipment is based on designs of the 1980s and 1990s, and some of them are the result of China's own research and development activities while others are simply derived from reverse-engineering from foreign sources. According to the report of the Stockholm International Peace Research Institute (SIPRI), China remained the single largest recipient of foreign military sale from 2004 through 2008, followed by India, the United Arab Emirates (UAE), South Korea and Greece. China has been a major recipient of weapons since the early 1990s and has been the largest importer for several years. Most Chinese arms imports originate from Russia. However, Russian deliveries to China dropped significantly during 2007 and 2008. China has used its access to Russian technology to develop indigenous weapons, in some cases using illegally copied Russian components. Both countries agreed in 2008 to abide by intellectual property laws specifically for military equipment.⁵⁷

1. PLA Ground Forces

a. Mission

The PLA ground forces remain the largest segment of the Chinese armed forces, though it was affected most during the reduction processes for the last three decades. Cortez Cooper defines the mission: "The PLA ground force is tasked to support domestic stability operations; defend borders across mountain, jungle, and desert terrain; conduct military diplomacy abroad; and prepare for a local war with significant power

⁵⁷ See more details in SIPRI official Web site, <http://www.sipri.org/yearbook/2009/07> (accessed 25 March 2010).

projection requirements.”⁵⁸ He continues that though the PLA ground forces have “played fourth fiddle” to missile, air, and naval forces in terms of modernization priority, it has not been forgotten. The PLA ground forces remain as the primary arbiter of party control throughout the country, a key contributor to Beijing’s foreign policy initiatives, and a protector of a 22,000-kilometer land boundary adjacent to a number of current and potential flash points.⁵⁹ The overall picture of the Ground forces modernization is deeply related to the doctrinal change and focuses on quality over quantity and information technology in order to fulfill their missions.

b. Size

Even though the PLA launched large reductions in 1985, 1997 and 2003, China still possesses the largest armed forces in the world. Blasko states, “in the middle of the first decade of the twenty-first century, the PLA ground forces amount to roughly 1.6 million personnel. They are organized into 18 group armies, along with a number of independent units that do not belong to any group army.”⁶⁰ While the Annual Report to Congress on “Military Power of the People’s Republic of China 2008” approximated 1.25 million ground forces personnel,⁶¹ the London-based International Institute of Strategic Studies estimated 1.6 million troops in the ground forces of China in the annual Military Balance publication.⁶² As mentioned earlier, while the PLA Ground Forces are reducing its personnel, recent and more advanced weaponry, equipment and assets have been introduced into the service.

⁵⁸ Cortez A. Cooper, “Preserving The State”: Modernizing and Task-Organizing a “Hybrid” PLA Ground Force,” in *Right-Sizing the People’s Liberation Army: Exploring the Contours of China’s Military*, ed. Roy Camphausen and Andrew Scobell (Carlisle: Strategic Studies Institute, U.S. Army War College Press, 2007), 238.

⁵⁹ Cooper, “Preserving The State,” 237–238.

⁶⁰ Blasko, *The Chinese Army Today*, 70.

⁶¹ *Annual Report to Congress*, 2008, 5.

⁶² *The Military Balance*, 2010, 399.

c. Capability and Modernization

Affected the most by the force reduction process within the three major services of the PLA, ground forces remain as the main force (70 percent of the total PLA strength) in the service who decides the battle, according to Chinese military doctrine. The 38th Group Army (GA) in the Beijing military region (MR) and the 39th GA in the Shenyang MR are “Rapid Reaction Units (RRU),” who are expected to deploy on notice for combat from the garrison without personnel or equipment augmentation.⁶³ As the PLA has grown smaller and more mobile, “rapid reaction” or rapid mobilization is a basic task practiced by all units in the active military and reserves, and now each MR has a Special Operations Force (SOF) unit.⁶⁴ Additionally, the Air Force’s 15th Airborne Corps has selected one of the leading RRU in the Chinese military. Therefore, airborne forces are becoming very important. Ground forces are intensely developing amphibious operations capabilities, especially in coastal military regions. The 1st GA’s 1st Amphibious Mechanized Infantry Division (MID) in Nanjing MR was the first army division transformed into an amphibious unit. An amphibious armored brigade is also found in the region. The PLA’s second amphibious mechanized division, the 124th, is in Guangzhou MR. The Ground Forces’ two amphibious divisions are much bigger and stronger than the two PLAN Marine brigades, which are located in the region in Zhanjiang. Blasko highlights, “This development points to the ground force leadership’s efforts to maintain their relevance in times of changing threat and strategic environment.”⁶⁵

The PLA ground forces have been taking constant measurements to improve the main battle tanks (MBT), such as developing its third-generation tanks T-90 and T-90II (T-98) with significant improvements in design, armor, and firepower, and armored personnel carriers (APC) and infantry fighting vehicles (IFV) such as T-85, T-86 and T-90 IFV, which are wheeled, with a rapid cruise speed, maneuverability, agility, and

⁶³ Cooper, “Preserving The State,” 256

⁶⁴ Blasko, *The Chinese Army Today*, 69–74.

⁶⁵ *Ibid.*, 82–85.

a greater fire power, such as 12.7 mm or 25 mm cannons and anti-armor missiles.⁶⁶ The PLA has had formidable artillery and air defense weapons with increasing mobility. Instead of being towed, artillery and air defense pieces mounted on tracked self-propelled vehicles has become a main effort of the PLA. The most modern artillery weapons are the 155-mm and 203-mm self-propelled howitzers (SPH) which have a modest speed, great accuracy and distance. The most advanced and recent acquisition of air defense systems is the SA-10 (S-300) purchased from Russia in 1995, in addition to a number of indigenous surface-to-air-missiles, such as a cloned version of S-300, HQ-61A, FT-2000 (advertised as “AWACs killer”), and a variety of multiple rocket launchers. Overall, China acquires one of the largest arsenals of these two systems and besides formidable, they are getting better.

Due to their doctrine and technology modernization, the roles and missions of the services have expanded. According to the 2008 Defense White Paper, the role of “The Army aims at moving from regional defense to trans-regional mobility, and improving its capabilities in air-ground integrated operations, long distance maneuvers, rapid assaults and special operations.”⁶⁷ This reflects that while decreasing the units from divisions to brigades, ground forces have been upgrading their “mechanization” by increasing the number of trucks, tracks, and wheeled fighting vehicles. Moreover, armor systems are ameliorating as mobile artillery and air defense pieces are increasing. The PLA is placing far greater emphasis on building up its Aviation Corps, Special Forces, and Information Warfare units.⁶⁸

2. PLA Air Force

a. Mission

The PLAAF role is increasing and was given a high priority beginning in the early 1990s. Along with the development of the military strategy, the PLA Air Force (PLAAF) has begun its transition from territorial defense to both offensive and defensive

⁶⁶ Shambaugh, *Modernizing China's Military*, 252–255

⁶⁷ China's National Defense in 2008, Information Office of the State Council, January 2009, Beijing, http://www.china.org.cn/government/central_government/2009-01/20/content_17155577_6.htm

⁶⁸ Fisher, *China's Military Modernization*, 75

operations. One unique distinction of the PLAAF has been an enclosure of Air Defense Forces. It might seem that the PLAAF has a much broader responsibility and potential, but it divides the air defense role because the PLA Navy (PLAN) has aviation forces as well. The 2008 Defense White Paper describes the PLAAF responsibility as safeguarding the country's territorial air space and territorial sovereignty and maintaining a stable air defense posture nationwide.⁶⁹ Saunders and Quam note, "The PLAAF was designed as a defensive force charged with the primary mission of air defense and a secondary mission of support for the ground forces. Air defense capabilities included defending China's airfield, other critical infrastructure, political and economic centers, and ground forces. The PLAAF was also charged with supporting ground troops via close air support and bombing operations, but has never really been able to perform this mission."⁷⁰

b. Size

Due to the rising role of the air force, the PLAAF was not affected like the PLA ground forces in terms of personnel. The number of combat aircraft, however, was significantly reduced in order to build a smaller but more capable air force by retiring and replacing outmoded aircraft. Lanzit and Allen declared in their work,

Since the early 1990s, PLAAF has decreased total personnel strength from 490,000 to less than 400,000, reduced combat aircraft from more than 5,000 to about 2,000 and air divisions from 50 to 28, and decreased the average number of regiments per air division from three to two as well as the number of aircraft per regiment.⁷¹

Shambaugh states, "The PLAAF deploys some 3,000 aircraft, 2,200 of them are various models of J-6s and J-7s, which were built in the 1960s, and about 400 Q-5s, which is a first indigenously designed aircraft. Additionally, the PLAAF only

⁶⁹ China's National Defense in 2008, Information Office of the State Council, January 2009, Beijing.

⁷⁰ Philip C. Saunders and Erik Quam, "Future Force Structure of the Chinese Air Force," in *Right-Sizing the People's Liberation Army: Exploring the Contours of China's Military*, ed. Roy Camphausen and Andrew Scobell (Carlisle: Strategic Studies Institute, U.S. Army War College Press, 2007), 387.

⁷¹ Kevin M. Lanzit and Kenneth Allen, "Right-Sizing the PLA Air Force: New Operational Concepts Define a smaller, more capable force," in *Right-Sizing the People's Liberation Army: Exploring the Contours of China's Military*, ed. Roy Camphausen and Andrew Scobell (Carlisle: Strategic Studies Institute, U.S. Army War College Press, 2007), 446.

deploys 250 J-8 IIs and few JH-7 fighters.”⁷² Therefore, one can assess that while retiring its obsolete aircraft families, China has been persistently attempting to acquire and build newer, more modern and more capable aircrafts.

c. Capability and Modernization

The 2006 White Paper states, “The Air Force aims at speeding up its transition from territorial air defense to both offensive and defensive operations, and increasing its capabilities in the areas of air strike, air and missile defense, early warning and reconnaissance and strategic projection.”⁷³ Accordingly, the PLAAF started to acquire new fourth-generation multirole fighters as its doctrinal literature stresses coordination with missile and naval strikes. In addition, the PLAAF has been devoting considerable resources to the development of new fifth-generation combat aircraft and unmanned surveillance and combat aircraft. The PLAAF is acquiring new bombers armed with land attack cruise missiles, developing and producing a variety of Precision Guided Munitions (PGM), and planning to build a new class of large transport aircraft.⁷⁴

Despite recent research and development of new combat aircraft, their numbers remain small compared with Chinese overall air force structure; the new generation aircraft J-10, Su-27, and Su-30 fighters constitute only 10 percent of the combined air force and navy combat aircraft force.⁷⁵ Though the number of fourth-generation aircraft is limited, by 2007 the PLA had about 280 Su-27s, Su-30s, and co-produced J-11 fighters. By 2010, the PLAAF may be able to deploy integrated strike packages of multirole fighters with modern support elements such as airborne radar, electronic warfare, and aerial refueling platforms that are able to undertake autonomous or joint-force offensive missions.

Recently, the PLAAF has ordered more Il-76 and Il-78 (tanker version) transport aircrafts, and acquired Mi-17 and KA-28 helicopters and S-300 surface-to-air-

⁷² Shambaugh, *Modernizing China's Military*, 258–265.

⁷³ China's National Defense in 2008, Information Office of the State Council, January 2009, Beijing, http://www.china.org.cn/government/central_government/2009-01/20/content_17155577_8.htm.

⁷⁴ Fisher, *China's Military Modernization*, 76.

⁷⁵ Nan Li, “PLA Strategy and Doctrine,” 9.

missiles (SAM). Domestically, the PLAAF received 60 new J-10 fighters and B-6 aerial refueling tankers. However, it has not significantly succeeded on the domestic development program for strategic bombers and airborne early warning and control (AEW&C) aircraft.⁷⁶ China is continuously upgrading its air defense capability by acquiring S-300s and TorM1/SA-15s from Russia and developing new indigenously produced models. Furthermore, China is probably acquiring S-400/SA-20 system to extend air defense coverage over the coastal areas.

3. PLA Navy

a. Mission

Historically, Chinese military had emphasis on ground forces because, since the foundation of the PRC, the major security threats had been internal security, and continental threats were primarily from the Soviet Union and the United States. Mao's proclamation of the "people's war" concept strongly supported this suspicion or notion and deeply affected the mission orientation, strategic guidance, and priority within the branches. Chinese leaders emphasized the important role of maritime forces. Up to the end of the 1970s, China had not taken decisive measures to modernize its navy assets. However, weakening of the people's war concept, which focuses on luring a technologically superior enemy deep into the Chinese territory, contradicted with Chinese economic development and the opening of its coastal areas for investors. Cole highlights the importance of the region as:

The Asia-Pacific region is a major factor in global trade. Half of world's twenty largest container lines are owned and based in Asia; eighteen of the world's largest container ports are located in the region. About one-third of the world's shipping is owned by Asian nations.⁷⁷

Consequently, for the last two and half decades, China has emphasized the importance of a formidable naval force and has acquired up-to-date battle ships and submarines. China

⁷⁶ Lanzit and Allen, "Right-Sizing the PLA Air Force," 442–445.

⁷⁷ Bernard D. Cole, *The Great Wall at Sea: China's Navy Enters the 21st century* (Annapolis: Naval Institute Press, 2001), 8.

has also been working tirelessly on building its own carrier group project and improving and producing domestic naval ships and subs.

The 2008 Defense White Paper defines the main tasks of the PLAN are safeguarding China's maritime security and maintaining the sovereignty of its territorial waters, along with its maritime rights and interests. It continues, "From the 1950s to the end of the 1970s the main task of the Navy was to conduct inshore defensive operations. Since the 1980s, the Navy has realized a strategic transformation to offshore defensive operations."⁷⁸ Cole describes this notion:

A state's jurisdiction over the land is simply pushed seaward in terms of rights and duties concerning good order, the exploitation of resources and the exercise of limited sovereignty. This concept includes "environmental concerns, nationalism and above all, economic exploitation." "Sovereignty protection" is now a high priority naval mission.⁷⁹

With tension decreasing and normal relationship between China and Russia resuming due to the demise of the Communist system, along with the evolution of doctrine from fighting total (nuclear) war in the mainland to local and limited war in the Chinese peripheries, China certainly underscored the importance of naval forces and its mission.

b. Size

The Military Balance 2010 estimates that PLAN has a total manpower of 255,000 people. It has five service arms: submarine, surface, naval aviation, coastal defense, and Marine Corps. There are three fleets: the Beihai (North Sea), Donghai (East Sea), and Nanhai (South Sea) fleets.⁸⁰ Godwin's article cites that PLAN's personnel were reduced from 350,000 in 1985 to 260,000 in 1995.⁸¹ The evidences suggest that since 1995, PLAN did not reduce its personnel notably, which manifested the growing

⁷⁸ China's National Defense in 2008, Information Office of the State Council, January 2009, Beijing, http://www.china.org.cn/government/central_government/2009-01/20/content_17155577_7.htm.

⁷⁹ Cole, *The Great Wall at Sea*, 8

⁸⁰ *The Military Balance*, 2010, 401.

⁸¹ Godwin, "From Continent to Periphery," 476.

significance of navy in the Chinese security building. Though the number of naval personnel decreased during the initial reduction of the Chinese forces between 1985 and 1997, the number of ships, subs, and aviation assets has been increasing steadily along with the growing military expenditure. As mentioned earlier, the modern Chinese leaders have given the foremost importance to the naval and air force modernization in order to acquire the power projection capability. The Chinese Navy deploys a total of 80 surface combatants, including 28 destroyers and 52 frigates. Most modern ships are four *Sovremenny* class destroyers. The PLAN possesses 65 submarines, including one *Xia* and two *Jin* class subs for strategic purposes that are considered capable of firing nuclear warhead missiles. In addition, a number of patrol crafts and coastal vessels constitute a vital segment of the navy. Besides PLAAF, the Chinese navy has aviation forces based on coastal air bases and it deploys 290 aircrafts, including bombers and helicopters. Though established recently, 10,000 marines are the major amphibious force of the navy.⁸²

c. Capability and Modernization

The 2008 Defense White Paper states,

In the line with the requirements of offshore defense strategy, the Navy takes informationization as the orientation and strategy priority of its modernization drive, and is endeavoring to build a strong navy. It deepens reforms and innovations in training programs and methods, highlights training in maritime integrated joint operations, and enhances integrated combat capability in conducting offshore campaigns and the capability of nuclear counterattacks.⁸³

Most of PLAN's assets are 20- to 30-year-old ships that been reverse-engineered and upgraded many times and have modest capabilities. Only a few that, have entered into the Chinese naval service recently have blue-water capability. The majority has been capable of operating in green and brown water. The most advanced surface ships are four Russian *Sovremenny*-class guided missile destroyers, which were

⁸² *The Military Balance*, 2010, 401.

⁸³ China's National Defense in 2008, Information Office of the State Council, January 2009, Beijing, http://www.china.org.cn/government/central_government/2009-01/20/content_17155577_7.htm.

designed to escort and to destroy aircraft carriers, particularly U.S. carriers and their *Aegis* escorts.⁸⁴ Chinese leaders realized that without a capable Navy, it had true strategic vulnerabilities when engaged in limited wars in the peripheries, especially in the case of Taiwan separatists. Therefore, China has been acquiring a new ship every year, and surface ship forces have been the leading segment of the PLAN modernization. The most conspicuous of the surface forces are destroyers and frigates that are both armed with anti-surface ship cruise missiles (SSM). All these ships are designed to be multi-mission-capable, which means they could fulfill a variety of missions, such as anti-surface (ASUW), antisubmarine (ASW) and anti-air warfare (AAW).⁸⁵ China continues to modify these warfighting capabilities in the indigenous ships such as *Luhu*, *Luhai*, *Luda* destroyers and *Jiangwei* and *Jianghu* frigates. However, most of the weapons, sensors, command and control, and engines have been imported and Chinese ship builders need to improve in order to build China's own formidable ship forces. Additionally, since 2000, the PLAN has commissioned 17 amphibious warfare ships as it modifies doctrine and strategy.

Although lightly armed, the *Yuting*-class landing ships have helicopter landing platforms, which increases the ability to transport mission-ready forces horizontally. Even bigger landing ships were introduced in late 2006 that were capable of deploying at least four helicopters and four air-cushion landing crafts and embarking at least 400 troops.⁸⁶

The PLAN had only one strategic ballistic missile submarine (SSBN), the Type 092 *Xia*-class, though has had lots of engineering and construction problems. It was the first nuclear-powered submarine armed with intercontinental ballistic missiles (ICBMs) carrying nuclear warheads.⁸⁷ *Jin*-class SSBNs, which are capable of carrying sixteen JL-2 ballistic missiles with a range of 8,000 kilometers,⁸⁸ are supposed to replace

⁸⁴ Shambaugh, *Modernizing China's Military*, 266–267.

⁸⁵ Bernard D. Cole, "Right-Sizing the Navy: How Much Naval Force will Beijing Deploy?" in *Right-Sizing the People's Liberation Army: Exploring the Contours of China's Military*, ed. Roy Camphausen and Andrew Scobell (Carlisle: Strategic Studies Institute, U.S. Army War College Press, 2007), 527–528.

⁸⁶ Cole, "Right-Sizing the Navy," 531.

⁸⁷ Shambaugh, *Modernizing China's Military*, 272.

⁸⁸ *Ibid.*, 272.

Xia. The Military Balance 2010 states that even though operational status are unknown, the PLAN possesses two *Jin*-class submarines and another two are under construction.⁸⁹ Both Shambaugh and Cole express that when China succeeds and proves its ability to produce its SSBN armed with ICBM, it will substantially augment China's sea-based nuclear deterrent. Besides, these submarines that are nuclear-powered and equipped with ballistic missiles, the PLAN has a formidable conventional submarine force. So far, China has deployed 12 indigenously produced *Song*-class submarines and purchased 12 Russian-built *Kilo*-class boats, which are evaluated by Cole as "hitherto one of the very best conventionally-powered submarines (SS)."⁹⁰

In addition to the aforementioned surface and submarine vessels and assets, China is strongly interested in possessing an aircraft-carrier capability. Although not substantiated, China is willing to have a carrier battle group, and it has been implementing a big project to do research and development to build its own. Chinese leaders are fully aware of blue water navy or power projection capability and envy Thailand and India, who have their own carriers. China purchased several decommissioned carriers, the HMAS *Melbourne* from Australia, the *Varyag* from Ukraine, and the *Minsk* from Russia. Though China has claimed to use them for civilian purposes, Chinese engineers probably conducted detailed research, and there are reports that Chinese naval pilots are training takeoffs and landings on a simulated flight deck copied from the HMAS *Melbourne*.⁹¹

4. Second Artillery

The Second Artillery consists of nuclear and non-nuclear missile forces for the PLA and is the well-developed branch within the PLA. Though China has been pursuing the policy of no-first-use of nuclear weapons at any time and under any circumstances, the PLA pace to increase the quantity of ICBM, non-nuclear, medium and short-range

⁸⁹ *The Military Balance*, 2010, 401.

⁹⁰ Cole, "Right-Sizing the Navy," 534–535.

⁹¹ Shambaugh, *Modernizing China's Military*, 270–271.

ballistic missiles, and land attack cruise missiles is growing fast.⁹² It is obvious that China has deployed a number of missiles to use against a possible confrontation with the United States if a war breaks out in the Taiwan Strait; however, the exact number of the missiles is not transparent due to the absence of publication of related data.

The Second Artillery is a strategic force under the direct command and control of the CMC, and the core force of China for strategic deterrence. It is mainly responsible for deterring other countries from using nuclear weapons against China, and for conducting nuclear counterattacks and precision strikes with conventional missiles.⁹³ In other publications, the Second Artillery has three missions: deterring nuclear aggression against China, preventing nuclear coercion, and conferring great power status/eliciting deference.⁹⁴ Since the establishment of the missile forces, China truly achieved a basic second-strike capability since it has been threatened by global super-powers such as the Soviet Union and the United States. During the dual-adversary period China was preparing to defeat massive Soviet forces using its own nuclear arsenals. Therefore, Chinese nuclear force has been a major deterring tool for the entire history of the PRC, and China undoubtedly has pursued the ambitious program to improve them. Medeiros states that the Second Artillery is one of the most dynamic branches of an already active and rapidly modernizing PLA, and it may even assume new missions, such as counter-space operations.⁹⁵ Shambaugh says, “If Chinese military has any truly modern capability, it lies in the realm of ballistic missiles.”⁹⁶

The Military Balance 2010 suggests that the Second Artillery has a total of 100,000+ personnel. Since the mid-1980s, China has expanded the size and improved the quality of the Chinese missile forces in an effort to enhance their reliability, survivability, response time, and most recently and urgently their penetrability. China’s nuclear forces

⁹² Shambaugh, *Modernizing China’s Military*, 77.

⁹³ China’s National Defense in 2008, Information Office of the State Council, January 2009, Beijing, http://www.china.org.cn/government/central_government/2009-01/20/content_17155577_9.htm.

⁹⁴ Evan S. Medeiros, “Minding the Gap”: Assessing the Trajectory of the PLA’s Second Artillery,” in *Right-Sizing the People’s Liberation Army: Exploring the Contours of China’s Military*, ed. Roy Camphausen and Andrew Scobell (Carlisle: Strategic Studies Institute, U.S. Army War College Press, 2007), 150.

⁹⁵ Medeiros, “Minding the Gap,” 143.

⁹⁶ Shambaugh, *Modernizing China’s Military*, 274.

are moving beyond their decades-long reliance on land-based, liquid-fuel, silo-based missile systems to solid-fuel, and road-mobile missiles with various ranges.⁹⁷ According to Yuan's statement, China deploys a range of missiles including 20 DF-5As (CSS-4), 22 DF-4s (CSS-3), 16 DF-3As (CSS-2) and DF-21As (CSS-5). Solid-fuel, long range DF-31s and DF-31As have been under construction. The latter two missiles have been under development since 1985 and they are three-stage, solid-propellant, mobile missiles on a transporter-erector-launcher (TEL). DF-31 series are capable of reaching targets throughout Asia, Europe, Russia, and the United States.⁹⁸ The Military Balance 2010, however, suggests that Chinese nuclear forces already possessed 12 DF-31s (CSS-9), 24 DF-31As in the inventory. Though it decreased the number DF-4s, the Second Artillery has kept all DF-5As operational. As a result, Chinese nuclear forces now deploy 66 ICBMs with incredible range, and possess 118 IRBMs, of which almost all are solid-fuel missiles.⁹⁹ Besides nuclear missiles, the Second Artillery deploys conventional SRBMs (DF-15).

Most recently, in 2007, China successfully tested a direct-ascent, anti-satellite (ASAT) weapon, destroying a non-operational weather satellite.¹⁰⁰ The test demonstrated the PLA's ability to attack satellites operating in low-Earth orbit and raised concern on China's growing and unprecedented missile defense capability. Besides this test, China is pursuing ambitious programs for space exploration and developing cyberwarfare capabilities.

D. CONCLUSION

Even though China's unprecedented economic growth has enabled it to spend a great amount of money on military modernization there is a huge gap, which requires a great deal of effort and an extensive period of time, between Chinese and Western defense technologies. The Gulf War and Taiwan Strait crisis in 1996 opened the PLA

⁹⁷ Medeiros, "Minding the Gap," 159.

⁹⁸ Jing-dong Yuan, "Effective, Reliable, and Credible, China's Nuclear Modernization," in *Nonproliferation Review* (Monterey Institute of International Studies, CA) 14, no. 2 (July 2007), 291–292.

⁹⁹ *The Military Balance*, 2010, 399.

¹⁰⁰ *The Annual Report to Congress*, 2008, 3.

experts and commanders' eyes that modern warfare comparatively differs from the strategy that China was focusing: the "limited war under high-technology conditions." The shocking effect of the PLA commanders and CCP leaders forced Chinese military modernization, mostly contingency driven, and it started the procurement program (particularly from Russia) of navy destroyers and submarines and Su-27 and Su-30 fighters. This shock was worsened by the Kosovo crisis and NATO interventions, and this time it had a profound effect on not only military but also national leaders. Particularly, NATO forces' capability to engage information (IF) and electronic warfare (EF), improved accuracy of cruise missiles and other munitions equipped with satellite and laser guidance systems, and stealth airplanes with in-flight fueling capacity (longer operational distance). Consequently, the PLA continued to witness high technology warfare in Afghanistan and Iraq, as well as new ordnances such as extremely sophisticated PGMs, which had far more advanced accuracy and lethality than witnessed in the Gulf War and Bosnia. Moreover, PLA analysts noted the importance of an unmanned aerial vehicle (UAV) and special operations forces that greatly improved allied intelligence.¹⁰¹As a result, China has launched a great effort to modernize its military and implement huge projects to catch up with the leading military powers. The PLA transformation, however, is being implemented with far fewer financial resources than the U.S. Army transformation of 1970s and 1980s.¹⁰²

The modernization projects has impacted almost every part of the PLA, including doctrine and training, structure, procurement of weapons systems, and military industries. The modernization, however, did not really affect the top-level decision making process. Both Central Military Commissions led by President Hu Jintao and the Chinese Communist Party still retain the foremost influence on military decisions though two members of the politburo have been generals for last two terms and the minister of national defense is a military person as well. The term "Party-Army relationship" has faded; instead, the term "Civil-Military relationship" has been mentioned recently. However, the CCP remains the sole decision-making force when it comes to reform in

¹⁰¹ Shambaugh, *Modernizing China's Military*, 3–7.

¹⁰² Blasko, "PLA Force Structure Development," 12.

the PLA. Therefore, radical reform in the civilian control over military has been avoided explicitly because it could touch the overall legitimacy of the communist government of China.¹⁰³

Many intellectuals have done research on Chinese military modernization though they were often frustrated with the ambiguity of the data and updates of military weapon systems and manpower. Nonetheless, Chinese military analysts and military leaders have been aware of rapidly developing military technology and the revolution in military affairs; the PLA has been under a substantial evolution, and thorough ongoing revision of the warfighting doctrine, strategy, tactics, and training in recent years.¹⁰⁴ After the Mao's death, Deng Xiaoping and the leading marshals and generals began to revise Mao's "people's war" doctrine that focused on the excessively defensive posture of fighting adversaries deep inside China in a war of attrition. Deng observed this doctrine was not appropriate to his new doctrine of a "people's war under modern conditions" which emphasized active defense in the frontiers.¹⁰⁵

Since Deng's initiated modernization the PLA had struggled through the different doctrinal changes due to the rapidly changing technology. In 1990s, the PLA transformed its doctrine to be applicable to "limited war under high-technology conditions." Moreover, the PLA has grasped the importance of informational warfare in contemporary warfare.¹⁰⁶ For that reason, Li states, "In 2002, the CMC adopted the policy of 'dual-track' modernization termed 'mechanization and informationization'—which would be implemented through the new concept of 'integrated joint operations.'"¹⁰⁷

The PLA has had seven MRs since Beijing reduced the previous eleven districts in 1985. However, notable physical force deployment has not been experienced except a substantial demobilization of service personnel since the mid-1980s (approximately 1.1 million between 1985 and 1996, and an additional 500,000 from 1996 to 2000) and some organizational changes. The main reason of the large-scale demobilization was the

¹⁰³ Shambaugh, *Modernizing China's Military*, 11–13.

¹⁰⁴ Ibid., 105

¹⁰⁵ Ibid., 62

¹⁰⁶ Ibid., 69–77

¹⁰⁷ Li, "PLA Strategy and Doctrine," 5

decline of the potential Soviet threat; however, this is also an indication of the regime's desire to create a real internal paramilitary force and to downsize the PLA's gigantic forces and to alter it into a more effective fighting force.¹⁰⁸ Except from a significant buildup, particularly short and medium-range ballistic missiles, in the Nanjing MR since the early 1990s, the PLA has not increased the forces in the south, and ground forces remain stationed in the north of the capital.

Overall, China is experiencing a transformation and modernization of its military forces and technologies. Even the PLA is effectively doing research on high-tech weapons, such as weapons using lasers and radio frequency, thermo baric weapons, hypersonic and unmanned vehicles, and electromagnetic weapons.¹⁰⁹ China still lags behind the leading militaries in the world. However, China has been attempting hard to build the power projection capability and consolidate its regional reputation. By doing so, China is securing its interests in various fields in the region. In particular, China is relentlessly seeking cheap and reliable resources to satiate its growing energy and resource needs. How this modernization will affect the neighboring countries, especially Mongolia, is assessed in the following chapter.

¹⁰⁸ Shambaugh, *Modernizing China's Military*, 149–150

¹⁰⁹ *Ibid.*, 82–89

III. IMPLICATIONS FOR MONGOLIAN SECURITY

With the end of the Cold War and the Soviet Union withdrawal of troops from Asia, China revived its ambition to dominate in the region as the leap-frog economic performance enabled it to intensify the PLA modernization. Mongolia is one of the countries who has accommodated China's rise, despite the fear and animosity that exists strongly in Mongolians' minds.¹¹⁰ Gradually China replaced Russia as the most influential state in the Asia-Pacific region, though Russia has recovered from the crisis period and realized the looming potential of China. However, it is still too early that Russia is a competitive power with China in the various fields of the society and economics, though not in military. Both countries have been actively reforming their military and there is a common understanding that these two countries have been competing for the regional leading power status. According to Bobo Lo's claim, however, "China's aggregate military power now exceeds Russia or will do so shortly. Despite the decline of the Russian armed forces, they nevertheless continue to enjoy several critical advantages, above all several thousand nuclear warheads."¹¹¹

The recent history of Mongolia relates closely to the history of Tsarist Russia and the Soviet Union, after Mongolia declared independence in 1911 from the declining Qing dynasty. The main notion to lean toward Russia or the Soviet Union was mainly stemmed from the fear of being dominated by the newly formed Republic of China. As a result, for almost seven decades Mongolia had been a satellite state of the Soviet Union, and Mongolia's foreign and domestic policy had been shaped by the guidance of the Communist Party of the Soviet Union (CPSU). Though the close relations with the Soviet Union guaranteed Mongolia's independence, it was not free. Tsedendamba Batbayar mentions that "after seven decades of alignment with and domination by the Soviet

¹¹⁰ Robert S. Ross, "Balance of Power Politics and the Rise of China, Accommodation and Balancing in East Asia," in *China's Rise and Balance of Influence in Asia*, ed. William W. Keller and Thomas G. Rawski (Pittsburg: University of Pittsburgh Press, 2007), 125.

¹¹¹ Bobo Lo, *Axis of Convenience: Moscow, Beijing and The New Geopolitics* (London: Royal Institute of International Affairs, 2008), 75–76.

Union, Mongolians had lost many links with their past.”¹¹² Therefore, after the collapse the Soviet Union, Mongolia began to pursue its own national interests and priorities were given to the greater global community and the third neighbors. Yet, the priority direction of Mongolia’s foreign relations is given to Russia and China. Narangoa highlights that “Mongolia’s two big neighbors’ economic, political, and military conditions still had a strong impact, but Mongolia was determined not to rely on one single country and rather to have a multi-pillar policy.”¹¹³

Though China seems unlikely to use force against Mongolia, due to China’s contemporary economic and political situation, the ambiguity of military rise and modernization raises concerns. As many analysts, intellectuals, and officials question, why has China been assiduously expanding its military capability and modernizing equipment and weaponry? There are a number of opinions, such as seeking a great-power status, preparing a large-scale deterring force against Washington, or just for prestige. In Mongolia’s case, the Chinese dominance in the regional relations seems imminent.

A. HAUNTING HISTORY OF MONGOLIA

Until the seventeenth century when Mongolia fell under the control of the Qing dynasty, the Mongols were a major regional power with formidable military organizations and skills. However, the arrival of modern arms in the region and the dwarfed number of Mongolians created an unfavorable condition. Since the seventeenth century, Mongolians have been involved and influenced deeply by the long struggle between Russia and China for hegemony in Northeast Asia. Therefore, the main political strategy was to play off the imperial rivals against each other. During the strongest Chinese Dynasty in its history, which is the Qing dynasty, the foreign affair department had an office responsible only for the Mongolian issue.¹¹⁴

Mongolia’s actions and interactions with immediate neighbors were largely determined by geostrategic studies. Because of the country’s geography, Mongolia has

¹¹² Tsedendamba Batbayar, “Geopolitics and Mongolia’s Search for Post-Soviet Identity,” in *Eurasian Geography and Economics* (Palm Beach, FA) 43, no. 4 (2002), 323.

¹¹³ Narangoa, “Mongolia and Preventive Diplomacy,” 363.

¹¹⁴ Immanuel C. Y. Hsu, *The Rise of Modern China* (New York, Oxford University Press, 2000), 53.

always been threatened with domination by its neighbors. Mongolian leaders confronted this problem twice in Mongolia's history: in 1691 and in 1911. The first time, Mongolians became a part of the Qing dynasty, more for cultural and religious reasons, though fought against the Qing dominance for the long period. The second time, with the Qing dynasty's collapse, the Mongolians confronted the looming threat of rising Chinese influence, and Mongolia sought to earn its independence with the assistance of the Tsarist Russia. Mongolia did this due to its assessment of its threatened geographical position; military, political, and demographical vulnerability; limited foreign affairs; their desire to develop its own way of development after the long period of Qing's rule; and fear of domination and eventual assimilation by China.¹¹⁵

However, Russia and China again played a thorny political game, which ignored the fate of Mongolians again. In 1913, they agreed Chinese suzerainty over Mongolia, which proved that Mongolia's desire to escape from Chinese control would not be achieved easily. Despite agreeing Mongolia's autonomy arranged in 1915 in Kyakhta, China retook control over Mongolia in 1919 and destroyed the autonomy when the October Bolshevik revolution in 1917 engendered political turmoil in Russia. Finally, Mongolia had the opportunity to gain its independence, and this time the Soviet Union helped the Mongol Army to fight against the Chinese troops stationed in Mongolia.¹¹⁶ With the support from the Soviet Union, Mongolia had an opportunity to proclaim its independence from the ROC, and the rationale for declaring the independence was claiming that Manchu people controlled Mongolian territory, but not Chinese territory. Shortly after the independence in 1924, Bogd Khan died. He was the religious leader of Mongolia. Right after his death, Mongolian People's Party (MPP) declared Mongolia as the world's second socialist country, with the altered designation of the Mongolian People's Republic. Ganbaatar Donrov highlights in his work that there were several factors that caused Mongolia to side with the Soviets:

¹¹⁵ Batbayar, "Geopolitics and Mongolia's Search for Post-Soviet Identity," 324.

¹¹⁶ Narangoa, "Mongolia and Preventive Diplomacy," 362.

— Opposing China was one important commonality between Mongolia and Russia, where Mongolian national interests coincided with Russian strategic interests.

— Russian threat was indirect. The Soviets were unlikely to move in, dominate, and assimilate the Mongols as China demonstrated through the takeover of Inner Mongolia.

— Improved health and education assured physical survival for Mongols.

— The Soviets provided comparatively large economic assistance.¹¹⁷

From 1921 through 1990, Mongolia was under complete patronage of the Soviet Union though not a Soviet republic. Consequently, it could not pursue an independent foreign policy. Moscow's manner and decisions in foreign relations were a vital aspect of Mongolian decision making, and Mongolia always considered Soviet interests and guidance when taking any actions. Mongolia played an important role throughout the Sino-Soviet hostility in the 1960s and 1970s. The Soviets viewed Mongolia both as a buffer and as a "deterrent territory" against China, while China's main perspective considered Mongolia not a big strategic buffer between the Soviet Union and China, rather Beijing perceived the Soviet troops in Mongolia as a military threat to northern and northwest China.¹¹⁸

The bottom line is that both Russia and China have not been deeply concerned with the fate of Mongolia. Instead, they have taken taking advantage of the buffer location between them. Particularly, China is still maintaining a "lost territory" sentiment and waiting for the perfect time to reclaim Mongolian territory, albeit not expressing it explicitly. China is currently preoccupied over several factors to consider before acting on this issue:

— Taiwan Strait issue

— Territorial disputes with several neighbors

— Economic growth and building a prestigious society

¹¹⁷ Ganbaatar Donrov, *Mongolia's Search for Security* (Master's thesis, NPS, 2000), 18.

¹¹⁸ Batbayar, "Geopolitics and Mongolia's Search for Post-Soviet Identity," 325–326.

The aforementioned short history illustrates Mongolia's necessity to carefully pursue an independent policy, whereas Chinese interests backed by its economic achievement and military rise and modernization inevitably influence the policy. Since the end of the Cold War, the Sino-Russian relationship has substantially improved, and, indeed, Russia played a big role on filling the gap between the PLA and the leading military forces in the world. Both Russia and China are pursuing and respecting the "strategic cooperative partnership." In fact, the two governments have increasingly begun to side together in voting against the United States and the United Kingdom in the UN Security Council and other forums.¹¹⁹

B. APPLICABLE THEORY ANALYSIS

In order to find an applicable theory this chapter analyzes some international relations theory and attempts to apply it to the Mongolian case.

According to the realist balance of power perspective, balancing means constructing or maintaining equal military capability among great powers in order to prevent a single strong state or alliance achieve dominance in international relations. In *Theory of International Politics*, Kenneth Waltz defines balancing as "joining a weaker side to prevent a dominating and threatening force" and bandwagoning as "joining a strong coalition or state."¹²⁰ Similarly, Stephen Walt contends that states may either balance or bandwagon when they face a significant external threat. Balancing is defined as allying with others against the prevailing threat; bandwagoning refers to alignment with the source of danger. When bandwagoning dominates, security is challenged greatly due to an aggressor's attraction of other partners; in contrast, if balancing is more widespread, international politics is more secure because of plentiful opposition forces against a more threatened state.¹²¹ According to Walt's argument states balance for two main reasons: first, align with peer states in order to prevent the domination of stronger states; second, join the weaker side to increase or present its influence. This hypothesis,

¹¹⁹ Shambaugh, *Modernizing China's Military*, 288–289.

¹²⁰ Kenneth N. Waltz, *Theory of International Politics* (New York: McGraw-Hill, 1979), 116–123.

¹²¹ Stephen Walt, "Alliance Formation Balance of World Power," *International Security* 9, no. 4 (Spring 1985), 4.

however, does not apply well to the Mongolian case. Due to China and Russia's relatively large size, power, and economy, Mongolia's support does not make any difference. If Mongolia joins one side, its influence does not deeply affect or change the total course of action.

According to Hans Morgenthau's classical argument, an inherently ambitious and dominant character of human beings primarily shapes a state's policy, which makes it greedy and violent. Therefore, cooperation hardly exists in the international politics due to a constant power struggle between states, which derives from this greedy and dominant behavior of the states to maximize power.¹²² This theory cannot apply well to the Mongolia-Chinese relationship, because there is a friendly cooperation between the two countries, though not forever. It is apparent that China would easily swallow Mongolia, if cooperation China deeply infiltrates every field of Mongolia's economy and society. As a consequence, Mongolians keep certain distance within their relationship China, as it gives first priority of the foreign relations policy to Mongolia's two immediate neighbors.

Similarly, neorealist theorists, such as Kenneth Waltz, argue that sovereign and powerful states look for the most favorable conditions in international relations. Due to the absence of the hierarchy system, the international system is anarchic, and there is no overarching authority to adjudicate when a dispute arises; states depend on their own power for protection. Strong states seek to control weaker states; however, weaker states are not willing to comply. As a result, war is most likely to occur and weaker states take the strong defense measurements to make them powerful.¹²³ Definitely, Mongolia is not willing to go to war against this unmatched force and any military defensive measurements seem unproductive. Yet, it has a desire not to be controlled by either neighbor. The theory applies well to China's position that it certainly wants to control the vast Mongolian plateau and does not want to involve other countries.

In contrast to the above hypotheses, Mongolia definitely does not want to rely on one single country or source for its survival because the aforesaid theories predict that weak countries do not expect a long-lasting benevolent attitude from the strong hawkish

¹²² Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace* (New York: McGraw-Hill, 1978), 17–30.

¹²³ Waltz, *Theory of International Politics*, 122.

states. Instead, the balancing and bandwagoning theory could apply to Mongolia's third neighbor search policy. According to balancing and bandwagoning theory, Mongolia cooperates with strong states to balance with its immediate neighbors, though the method for doing this is limited. This does not mean third neighbor policy would become the priority direction of Ulaanbaatar's foreign policy, which has been maintaining friendly relations with the Russian Federation and the PRC. More detailed analyses of third-neighbor policies are mentioned in the following chapters.

Constructivists, such as Alexander Wendt, argue that at the international level, cooperation or competence between states depends on how strong social relationships are. Even though states might not get along with each other well, their preferences might change after a certain period of social interaction. Additionally, constructivists consider common culture, norms, and interests as well as identities are very important in shaping successful international cooperation between states, despite anarchy. Moreover, identities and interests of states are not fixed, but rather states have interactions that change them.¹²⁴ It is possible that social interactions could change the states. Mongolia, of course, has stronger social ties with its two neighbors rather than other countries. In particular, due to increasing economic activities between the two countries, in both state and individual levels, the Sino-Mongolian relationship has been flourishing in recent years. Mongolians are, however, skeptical to share common culture, norms, and interests with China, though there are ethnic Mongolians in China. The major reason has been fear of assimilation and losing traditional customs, heritages, and cultural aspects.

Professor Narangoa, an associate professor at the Australian National University in Canberra, claims that Mongolia has successfully exercised "preventive diplomacy." She contends that Mongolia has limited foreign policy options; however, it recognizes its ability to survive because it played an important role as a buffer between Russia and China. Furthermore, Mongolian policy makers speculate that Mongolia can move beyond buffer status to exercise a broader role in the region. Narangoa continues, "For this

¹²⁴ Alexander Wendt, "Anarchy is What States Make of It: The Social Construction of Power Politics," in *International Organization* (Massachusetts Institute of Technology, Cambridge, MA) 46, no.2 (Spring 1992), 39.

reason, Mongolians have adopted a preventive diplomacy designed to avert future conflicts with and deflect pressures from its two big neighbors, which both have threatened Mongolia during the last century.”¹²⁵

The term “preventive diplomacy” was first introduced by U.N. Secretary-General Dag Hammarskjöld in 1960 and received particular attention when Secretary-General Boutros conceptualized it in his *Agenda for Peace*. According to Boutros-Ghali’s definition, preventive diplomacy is “action to prevent disputes from arising between parties, to prevent existing disputes from escalating into conflicts, and to limit the spread of the latter when they occur.” The objective of preventive diplomacy is ‘to seek to identify at the earliest possible stage situations that could produce a conflict, and try through diplomacy to remove the sources of danger before violence results.’”¹²⁶ A preventive diplomacy could be an alternative for Mongolia, but it does not fully guarantee its survival. Moreover, the term “elude from a conflict through diplomatic means” sounds like accommodating.

China’s looming military and economic rise could possess a serious threat to Mongolian security, so Ulaanbaatar should consolidate its neutrality position. Neutrality has been possible for Mongolia because of the following reasons: implementing a non-involvement policy for its two neighbors (will not side either one); having no territorial disputes with any countries in the region; maintaining friendly relations with every country in the region, especially with both South and North Korea; possessing unbiased attitude in any disputes between the countries in the region and possibly farther; and posing no potential threat and capability to any country in the region. This might be another theory, maintaining neutrality, which could possibly provide applicability to Mongolia’s case.

To conclude, a small country, such as Mongolia, needs a flexible multilateral policy that guarantees its survival and shapes its stature in the regional and global community. Unfortunately, the biggest disadvantage of a small country depends on the recognition or awareness of its independent policy by other countries. For this reason,

¹²⁵ Narangoa, “Mongolia and Preventive Diplomacy,” 359

¹²⁶ Ibid., 359–360

small countries should make noticeable contributions to international and regional stability and order, though freedom of movement is limited. Mongolia cannot simply apply a single international relations theory for its foreign policy approach. Instead, a proper cluster of balancing, bandwagoning, accommodating, being neutral, and preventing are applicable for its unique situation.

C. RELATIONSHIPS BETWEEN MONGOLIA AND ITS IMMEDIATE NEIGHBORS AND OTHER COUNTRIES

Like other nations, Mongolia needs peace and friendly relations with its neighbors. Mongolia's main relationships are aimed toward the two large neighbors that separate it from the rest of the world. Throughout the Cold War, Mongolian foreign relations were based on a single source—the Soviet Union. With the domination of the Soviet Union and its antagonism with the PRC, Mongolia had no choice, but tilted toward the Soviet Union, and proclaimed the PRC as the greatest potential adversary. In fact, Mongolia had a glimpse of a good relationship with China when Moscow and Beijing enjoyed a fraternal relationship during the 1950s. Unfortunately, this relationship did not last long, and the Sino-Soviet split caused Mongolia's alienation from one of its only two neighbors. Of course, Mongolia did not have a choice, but leaned to Moscow for pragmatic reasons.

Gratefully, the demise of the Soviet Union and the Communist system allowed Mongolia to implement independent foreign policy. When Mongolia changed its political system, the newly elected legislation and government announced that Mongolia must pursue a multilateral, nonaligned, and neutral foreign policy. Following the new constitution, Mongolian parliament has passed several important laws and documents, and one of them was the Concept of the Foreign Relations. According to this document Mongolia's foreign policy priority shall be the Russian Federation and the PRC with strategic partnership relations.

Therefore, Mongolia should continue its current foreign policy with the leading priority being its relationship with its two neighbors while effectively seeking a potential third neighbor to balance their power and strengthening Mongolia's position and

reputation in regional and international organizations. This chapter discusses Mongolia's relations with its only two neighbors and with its most potential third neighbors, such as the United States and Japan. Of course, relations with other countries, such as the European Union (EU), South Korea, and India, have developed greatly during recent years, but the relations with the United States and Japan have the greatest relationship to and influence on Mongolian-Chinese relations.

1. Mongolian-Chinese Relationship

Historically, Mongolia and China have been rivalries for centuries. The main reason of building the Great Wall was the nomadic warriors who dwelled in the north of China. Nevertheless, everything changed, and in the beginning of the twentieth century, Mongolia became a small, land-locked, poor country with blurry sovereignty and dependent on its two large neighbors. It was true that following the Qing dynasty's collapse, China discourteously claimed that Mongolia had been the Chinese indivisible part long before. This notion has determined the Mongolian-Chinese relationship until recently. Though both had been socialist countries, Beijing and Ulaanbaatar's cooperation was mainly antagonizing, apart from the brief period during the 1950s. Although, this situation changed after the Soviet Union's collapse and China and Mongolia have been enjoying a good neighborly relationship, the main unofficial factor shaping the cautious attitude of Mongolians toward China has been the fear of being assimilated by the Chinese. Additionally, the firmness of China's benign policy toward Mongolia could be fragile, as Mongolia consolidates its democratic achievements and improves its relations with other democratic states and institutions.

a. Political Aspects

After almost three decades of rejecting Mongolian independence, the Chiang Kai-shek's nationalist government acknowledged it, and in 1950, the Communist China recognized Mongolia as an independent state. The Sino-Soviet joint statement of 1950 said, "Mongolian independence has been guaranteed as a result of the plebiscite in 1945 and the establishment of full diplomatic relations between the MPR and the

PRC.”¹²⁷ In the onset of the Sino-Soviet split, Mongolia concluded a border agreement with the PRC in 1962, which was the indication to the Chinese Communist government to cooperate with Mongolia in order to attract Mongolians. However, alarmed and intimidated by the absorption, Mongolia leaned toward the Soviet Union. This caused the Mongolian-Chinese relationship to be hostile and antagonizing for three decades or until the demise of the Soviet-led socialist bloc. Since 1990, the two countries’ relationship has been developing and improving successfully in all areas.

In 1994, both sides signed the Treaty on Friendship and Cooperation between China and Mongolia, laying the political and legal foundation for the healthy and steady development of their relations. Visits of the high-ranking officials resumed. In December 1998, at the invitation of President Jiang Zemin, President of Mongolia N. Bagabandi paid a state visit to China. Both sides issued a Sino-Mongolian joint statement, deciding to establish neighborly, friendly relations and cooperation into the twenty-first century based on long-term stability and sound trust to point out the course for the development of the bilateral relations in the future. In June 2003, President Hu Jintao paid a state visit to Mongolia. Both sides declared to establish a neighborly and mutual-trusting partnership between China and Mongolia, and issued a joint statement.¹²⁸

Mongolian President Elbegdorj paid a state visit to China from April 28 to May 4, 2010, held official talks with President Hu Jintao, and met with premier Wen Jiabao and other officials. At the official talks, the two Heads of State exchanged views and opinions on the current level of Mongol-Chinese bilateral relations, cooperation, and possibilities for further expansion of the two countries’ relations. One essential subject of the talks and meetings during the visit was Mongol-Chinese trade and economic

¹²⁷ Ravdan Bold, *The Mongolia’s Strategic View* (Ulaanbaatar, Mongolia: The Institute of Strategic Studies Press, 1996), 9.

¹²⁸ Official Web site of the Embassy of Mongolia in China, <http://www.mongolembassychina.org/index.php?module=content&pid=92>, (accessed 30 March 2010).

relations. Increasing trade between the two countries and expanding cooperation on mining and infrastructure was remarked by the leaders to be one of the important goals of the bilateral cooperation.¹²⁹

There are over sixty bilateral treaties and contracts to facilitate the two countries' relationship. After two decades, Ulaanbaatar and Beijing jointly inspected the 4,676 km land border and modified the border protocol from 2001 to 2004. However, China has concerns over the democratic Mongolia's relationships beyond its two neighbors, such as relations with the United States and Japan.

b. Economic Aspects

Since it lost the massive patronage assistance from the Soviet Union in 1990, Mongolia remains under the implementation of the difficult transition of its economy, and China has replaced the Soviet Union as a main trading partner. During Ziang Zemin's visit in 1999, U.S.\$12 million contracts for soft loan credit and a U.S.\$40 million joint oil refinery contract were signed.¹³⁰ Mongolia and China resumed trading reciprocally, and during past few years, trade between Mongolia and China has substantially increased. In 2005, the trade with China accounted for 37.5 percent of the total trade of Mongolia. Forty eight percent of total Mongolian exports go to China, while 27.7 percent of the total imports come from China. Top export items are copper and molybdenum, animal hide, skin, cashmere, wool, and wood. Garments, food, flour, rice, machinery, and equipment represent the bulk of the imports from China.¹³¹

Additionally, China is one of the main investors in Mongolia, both by the amount of investment and the number of companies, with investment mainly in textiles, garments, trade, services, and mining. In 2003, Chinese foreign direct investment flows are growing in such sectors as geology mining, trade and catering services, engineering

¹²⁹ Official Web site of Mongolian President and his office, <http://www.president.mn/mongolian/node/702> (accessed 05 May 2010).

¹³⁰ Ralph A. Cossa, "Assuring Mongolia's Independence, Economic Security, and Ecological Balance," in *Regional Security Issues and Mongolia*, ed., The Institute of Strategic Studies (Ulaanbaatar: ISS's press, 1997), 14.

¹³¹ Official Web site of the Embassy of Mongolia in China.

construction, construction materials, and light industry. By the end of 2003, 1,000 Chinese enterprises were registered and invested U.S.\$332.8 million in Mongolia.¹³² In 2007, China accounted for around 40 percent of total foreign direct investment.¹³³ Therefore, one could conclude that Sino-Mongolian economic relations are developing greatly and both sides have been extremely satisfied with the current economic performance. However, Mongolia still strongly aspires to involve third neighbors in its economic activities and avoids relying on a single source. Historical compassion toward China, moreover, fuels Mongolia's notion of circumventing direct and dominant influence from it. Another big concern has been the very cheap labor force China provides, which Mongolia never could compete with, especially in the rapidly developing branches such as mining and construction.

c. Military Aspects

The Mongolian and Chinese military relationship has been closely related to the two countries' state relationship. When the state relationship had been normal in 1950s, there was a small scale of exchanges between the two militaries. However, parallel with the Sino-Soviet tension, this relationship was cut until 1990. Since then, the Ministry of Defense of Mongolia and Defense Ministry of the PRC deepened the relationship and started to exchange defense attachés. Since 1990, a number of high-ranking military leaders reciprocally paid visits, and starting in 1997, Mongolian military personnel begun to study in Chinese military academies and schools. In 2005, Minister of Defense Sharavdorj paid an official visit to China and held official talks with Chinese Defense Minister General Cao Ganchuan. During the visit, the "Treaty of the Bilateral Cooperation between Ministry of Defense Mongolia and Chinese Defense Ministry" was signed, which has become the major document for the development of future relations.¹³⁴

¹³² Official Web site of the Embassy of Mongolia in China.

¹³³ For more details go to Janes official Web site, <http://search.janes.com.libproxy.nps.edu/Search/documentView.do?docId=/content1/janesdata/sent/cnasu/mon>, (accessed 30 March 2010)

¹³⁴ Official Web site of the Ministry of Defense, <http://www.mdef.pmis.gov.mn/index.php?com=content&id=60>, (accessed 5 April 2010).

China has provided annual military assistance worth of 8 million Renminbi (RMB) since 1994, and more than 100 officers and NCO have been sent to Chinese military schools to study. Beijing and Ulaanbaatar held the Bilateral Consultative Committee meeting in 2004 and military delegates from China were invited to observe an international peace support field training exercise in Mongolia. China has been keen to take part in any possible military exercises and training as observers since then. Recently, the two countries' military tie has expanded furthermore. For example, in 2009, Mongolia and China held the first bilateral peacekeeping exercise "Peacekeeping Mission 2009" in China. Both sides emphasized the significance of the event. Additionally, high-ranking officials expressed that the military cooperation and friendship between Mongolia and China has been deepened significantly and will be enhanced in the future.¹³⁵ Transparency of the Chinese military leaders in the two countries' relations, however, has been questionable.

d. Conclusion

Despite the ups and downs in the Sino-Mongolian relationship for past sixty years due to various circumstances, the two countries' relations have emphasized diplomatic recognition, friendship, cooperation, mutual understanding, and assistance. Mongolia was one of the first countries that recognized the PRC right after the foundation, and the two countries established diplomatic relations in October 1949. Though certain factors, such as historic, economic, and military factors, have a large influence on the Mongolian's suspicious sentiment toward China, the two countries have been succeeding greatly in developing a friendly and neighborly relationship. Over the last 20 years in particular, their relations have developed rapidly and made remarkable achievements.

With its growing need of energy and resources, China has a deep aspiration to secure and acquire possession, either partially or wholly, of natural resources such as coal, copper, and uranium in Mongolia. While Mongolia's aspiration of

¹³⁵ For more details can be found at the PLA official English Web site www.chinamil.com.cn (accessed 12 January 2010).

having stable and friendly relations with China is stemmed from its own survival and the reality of being landlocked between two larger states, China's relations with Mongolia are based on China's interest to keep Russia, the United States, and other states away from its proximity and natural resources. Additionally, Chinese suspicion of the democratic development in Mongolia with other countries fuels this notion as well. Although it has promised to keep a friendly relationship with Mongolia, it is uncertain whether China would maintain this if its peaceful policy toward Mongolia contradicts with other powers' interests.

2. Mongolian-Russian Relationship

After seventy years of being a satellite state, Mongolia strives to maintain cordial relations with the Russian Federation. Like the relations with China, however, Mongolia avoids establishing too close a relationship with Moscow. Mongolia maintains military and military-technical relations with only three nations and one of them is Russia. Most of the general infrastructure, edifices, and major factories were built with the assistance of the Soviets during the Cold War period, thus Russia still dominates in the heavy industry and mining sectors in Mongolia. In contrast, China has become the major investor in the light industry and agriculture. Russia still enjoys its share in the two largest industries in Mongolia, the "Erdenet" copper mining factory and Mongolian Railway that are both state-owned enterprises, which produce the major portion of the GDP of Mongolia. Therefore, like China, while Russia wants to maintain close relations with Mongolia, it is not pleased with third countries' involvement and influence in the Mongolian plateau.

a. Political Aspects

Mongolian recent history after the collapse of the Qing dynasty until the end of the Cold War was greatly influenced by Tsarist Russia and later by the Soviet Union. In fact, the Soviet Union bestowed the independence of Outer Mongolia from the looming threat of the newly established ROC. On the one hand, therefore, Mongolia paid the price of what she owed the Soviet Union. On the other hand, Mongolians sought a

relative advantage, not greater influence, from the alliance relationship with the Soviet Union. The annexation of Inner Mongolia signaled the potential threat of losing independence again, thus Mongolia placed an absolute belief on the Soviet Union. The PRC's brutal action against Tibet and the GPCR manifested the concern again and erased the hesitation. As a result, the Soviet Union dominated Mongolian politics and influenced all single decisions on political issues.

The Soviet Union was the first country to recognize Mongolia in 1921. Besides some bilateral cooperation and assistance, the Soviets made little investment in Mongolia. However, the Soviet Union truly engaged with Mongolia and intensified its involvement after the split of Sino-Soviet relations in 1960s. The Soviet Union moved and stationed its troops in the vicinity of the Mongolian southern border, and substantially increased economic and military investment and grants. The Soviet Union was fully supportive when Mongolia launched an active campaign for UN membership. Under Soviet guidance, Mongolia strengthened its ties with Central and Eastern European Communist nations, and it became a de jure member of COMECON, de facto member of the Warsaw treaty, and a close ally of the Soviet Union following the signing of an Alliance Treaty in 1966.¹³⁶ When Moscow and Beijing were on the verge of war in 1969, the Soviet forces in Mongolia stood at over 100,000 troops, whose arms included fixed and mobile intermediate ballistic missiles with nuclear and chemical warheads.¹³⁷ During this period Brezhnev and a Soviet Defense minister had visited twice, which was the manifestation of the importance of Mongolia in the Sino-Soviet tension. Mongolia became a subject of the overall security and political process of the Soviet Union. It seemed that the Soviet Union was providing security for Mongolia based on the alliance treaty, but in truth, it wanted to secure Soviet interests in Mongolia and the Far East. Ravdan Bold highlights, "When the Soviets felt a threat to their security from China or elsewhere, they involved Mongolia in 'fraternal all-round co-operation' at the expense of

¹³⁶ G. Tumurchuluun, "Mongolia's Foreign Policy Revisited: Relations with Russia and the PRC into the 1990s," in *Mongolia in the Twentieth Century: Landlocked Cosmopolitan*, ed. Stephen Kotkin and Bruce A. Elleman (New York: M.E. Sharpe Inc., 1999), 278.

¹³⁷ Donrov, *Mongolia's Search for Security*, 21.

Mongolia's own interests. Soviet tactics of implementation of this policy were simple and were based on exploiting Mongolia's traditional sensitivity towards China."¹³⁸

Only after Gorbachev's perestroika and the end of the Cold War, Mongolia finally had an opportunity to exercise an independent foreign policy. In 1990, Mongolia broke with the USSR, eliminated one-party rule, and embarked on a revolutionary path of political and economic liberalization. Mongolia declared a policy known as the "open door" in order to strengthen trade and economic ties with Japan, the United States, and Western Europe. Soon after adopting a new constitution, the democratic government of Mongolia also instituted privatization, financial reform, and trade liberalization.¹³⁹ After the complete withdrawal of the Soviet troops in Mongolia, the two countries' relationship stagnated until the two countries signed a new treaty outlining friendly relations and cooperation in 1993. In the beginning of the 1990s, Russia had a domestic crisis and both countries were experiencing financial difficulties while both were under the difficult economic transition. Nevertheless, Mongolian government officials paid a visit to Russia to settle the Mongolian debt to the USSR and enhance bilateral relations, since Mongolia was largely dependent on Russia for petroleum products. Thankfully, the accrued debt issue was resolved between the two countries' presidents in 2003, which was a great alleviation for Mongolia during the transition period.

While the Mongolian-Russian relationship has been improving, Mongolia has paid special attention to avoid the old unilateral approach. By signing bilateral treaties with its two neighbors, Mongolia has begun urging the importance of third neighbors and regional and international institutions. Russia is still seeking dominance over the peripheries as its economic performance improves recently. Under former President (now prime minister) Vladimir Putin, the Kremlin put a new emphasis on old ties and sought to reassert influence where possible. The 25-point Ulaanbaatar Declaration signed between the two countries in late 2000 pledged to renew trade

¹³⁸ Ravdan Bold, "Northeast Asian Security Perspective: The View from Mongolia," in *Mongolia's Strategic View* (Ulaanbaatar: Institute of Strategic Studies Press, 1996), 7.

¹³⁹ Stephen Kotkin and Bruce A. Elleman, *Mongolia in the Twentieth Century: Landlocked Cosmopolitan* (New York: M.E. Sharpe Inc., 1999), 183.

relations and reaffirmed military ties.¹⁴⁰ Putin's recent visit was the manifestation of Russia's reviving desire to spread its influence back, since Mongolia possesses natural resources including uranium.

After agreeing to reach bilateral trade to one billion \$U.S. annually during the Mongolian President Enkhbayar's official visit to Moscow in May 2008,¹⁴¹ Russian President Dmitry Medvedev paid official visit to Mongolia on the occasion of the 70th anniversary of the victory of Halhin Gol in 2009. Additionally, Russia does not want the United States to have a strong presence or influence in Mongolia, because Russia and Mongolia's relationship was improving a lot in last two decades. Certainly, Mongolia has been developing its foreign relations with various countries, but the relationship with the United States takes center stage due to the U.S. superpower status in the world today. Besides, Mongolia has been successfully introducing and developing democratic principles, and in contrast, Russia still lags behind on building democratic values.

b. Economic Aspects

During the Cold War, Mongolia's economy was steered by the central party committee, and the centrally planning economic model was the fundament of the economy. Mongolia received a substantial amount of economic assistance from the Soviet Union and it was the backbone of the economic performance. However, it was not free. Tumurchuluun states, "During the Soviet period Mongolia was a raw material supplier to the USSR. The economies of the two countries became highly independent, albeit asymmetrically.¹⁴² Using the advantage of dominating Mongolia, the Soviet Union had received raw materials very cheap. That was the main claim Mongolians were using to deny the accumulated debt after the collapse of the USSR.

Even after the Cold War, Russia still dominates in all the fields of Mongolia's economy and is still the major provider of petroleum products for Mongolia.

¹⁴⁰ For more details go to Jane's official Web site.

¹⁴¹ John C. K. Daly, "Russia Dominates Mongolia in the New 'Great Game,'" in *Eurasia Daily Monitor* 5, no. 99 (Washington D.C.) (2008).

¹⁴² Tumurchuluun, "Mongolia's Foreign Policy Revisited," 282.

Until recently, Russia provided 80 percent of Mongolia's petroleum products and a substantial amount of its electricity needs. That figure has been reduced due to oil imports from Kazakhstan, but Russian energy shipments to Mongolia remain vital. Mongolia's main export products have been mineral resources, in particular copper, and Russia still buys most of the copper and molybdenum extracted and exploited by Mongolian companies. The Russian government owns 49 percent of the Erdenet copper corporation, one of Mongolia's premier enterprises. Furthermore, Russia has expressed its interest in investing in the big mining and industrial facilities in Mongolia and a number of Russian companies have been operating in Mongolia. Besides accepting the invitation to invest Mongolia's largest coal reserve, Russia desires Mongolia's uranium and gold reserves as well. Nevertheless, they are not alone—Chinese, Canadians, Japanese, and others are competing for the exposed riches. During a trip by then prime minister Sanjaagiin Bayar to Moscow in March 2008 and a return visit by Putin the following May, a deal was signed to jointly develop uranium projects, while Moscow also agreed to provide U.S.\$300 million in agricultural aid and to develop a new railway system between the two states. These efforts saw bilateral trade reach U.S. \$1.3 billion during 2008.¹⁴³ While China dominates light industries and construction, Russia consolidates and tightens its grasp in the mining and heavy industry sectors. In other words, Russia is trying to regain its lost influence over the Mongolian economy and exploit its rich natural resources.

c. Military Aspects

The long stagnated military relationship has been resumed between Mongolia and the Russian Federation. Throughout the Cold War, the Mongolian Army became a part of the Soviet's Far-Eastern front and substantially increased its military personnel and armaments. During the peak of the tension, Mongolia received a substantial amount of military equipment and weaponries. Military cooperation lasted through the 1970s, and at the end of the period Mongolia possessed a relatively large force with recent, if not up-to-date, equipment and weapons. Mongolia transformed and

¹⁴³ For more details go to Jane's' official Web site.

built up primitive military forces into modern and mechanized forces. The Soviet Union provided all the equipment and weapons systems, but did not provide the most modern military arms and hardware. Instead, it stationed military units with state-of-the-art weapon systems at the southern boundary of Mongolia. The vigilance of the two countries' military was extremely high and bilateral exercises and strategic games took place almost year-round. The Soviets helped to build new units according to the security assessment. Since all the weapons and equipment were from the north, the Soviet assisted in maintaining this large Mongolian force. It appears that the Soviet Union was providing crucial security to Mongolia, but it was based on the importance of the Mongolian vast terrain standing between Moscow and Beijing, which could give a great advantage to a side who was controlling it.

Everything changed, however, after the collapse of the Communist regime. Gorbachev first introduced the withdrawal of the Soviet troops from Mongolia, which was a shock for Mongolians in the beginning. Nevertheless, it was a necessary measure to normalize relations with Mongolia's two neighbors, with China in particular. The complete Soviet troop withdrawal finished in 1992. Along with various other difficulties, the economic hardship was enormous and it affected military as well. In the beginning of the 1990s, Mongolia downsized the military on several occasions, due to lack of resources to maintain it, and put a number of equipment and weaponries in long-time conservation.

After almost two decades of separation, Russian military resumed the close relationship with Mongolian armed forces. Though the two countries' relationship normalized in 1993, the security cooperation remained inactive until recently. Nevertheless, the relationship has been changing and Russia wants to deepen the military tie. The main reason for the rapprochement was the Mongolian Armed forces' improving relationship with the U.S. military and its active contribution to the international peacekeeping and multinational operations. For example, by sending its troops to the Iraqi operation, Mongolia attracted Russian and Chinese attention.

High-ranking military officials reciprocally have visited each other and the relationship has noticeably improved during recent years. Chiefs of staff of Russian and

Mongolian visited each other annually and signed bilateral agreements for developing bilateral military cooperation. Twenty-seven years after the Soviet defense minister's visit, Russian defense minister Anatolii Serdiukov paid an official visit to Mongolia accompanied by Army General N. E. Makarov and other high-ranking generals.¹⁴⁴ Dozens of Mongolian army officers attend training colleges in Russia each year, and the Mongolian armed forces also participate in joint exercises with the Russian military. In a major deal signed in April 2009, Russia agreed to provide U.S.\$60 million in military aid to Mongolia, while also announcing plans to provide much-needed T-72 tanks, BTR-80 armored personnel carriers, and helicopters to the Mongolian armed forces in exchange for meat supplies to Russian military bases in Siberia.¹⁴⁵ Luvsanvandan Bold, Mongolian Defense Minister, paid an official visit to Russia in February 2010 and met with the Russian Defense Minister. The sides discussed state and prospects of military and military-technical bilateral cooperation, as well as security issues in Central Asia and Asia-Pacific region. Defense ministers took a favorable view of Darkhan-2, a Russo-Mongolian military exercise (August–September 2009).¹⁴⁶ During this exercise, Russian and Mongolian military personnel accomplished a tremendous amount of work renovating Mongolian army military equipment and technology.

d. Conclusion

Like China, Russia wants its influence over Mongolia—especially after recent discoveries of large mineral resources and the Chinese blooming interest over them. However, Russia still lags behind China on the economic development. Russia has been eager to regain the control it lost with the disintegration of the Soviet Empire. Nevertheless, Russia is the greatest potential balancer against Chinese hostility, though it is unlikely. In certain economic fields, Russia cannot compete with China over Mongolia, but it still shares the large portion of mining and heavy industry sectors in Mongolia.

¹⁴⁴ Daly, "Russia Dominates Mongolia."

¹⁴⁵ For more details go to FAS official Web site, <http://search.janes.com.libproxy.nps.edu/Search/documentView.do?docId=/content1/janesdata/sent/cnasu/mon>, (accessed 30 March 2010).

¹⁴⁶ See more details on Russian Ministry of Defense's official Web site, <http://www.mil.ru/eng/1866/12078/details/index.shtml?id=70769>, (accessed 12 March 2010).

Russian high-ranking officials' recent visits manifest its ambition to retain its share, while Mongolia attempts to cooperate with a third country to exploit Oyutolgoi, one of the largest copper reserves in the world. Though long-time fraternal relations were halted for a certain period of time, Moscow and Beijing are assiduously working to invigorate the cooperation with Mongolia, particularly Russia. The major sources of Russia to influence Mongolia are the Russian export of petroleum products and its shares in a various mining and other economic sectors. Mongolia lacks refinery and processing capability, though it has some unproven deposits of oil, so Russia provides the majority of Mongolia's petroleum products. While it provides a reasonable price for petroleum products, any time Russia could limit or restrain the export in order to pressure Mongolian decision making. Tumurchuluun projected in 1995, "This passive and even neglectful Russian attitude toward Mongolia will not last. The first reason is that historically Russia—regardless of whether it was the Tsarist government or the Soviets—has always sought to strengthen its position in Mongolia; it is naïve to believe that Russia would abandon Mongolia."¹⁴⁷ Some people argue that Mongolia possesses no importance in Russian policy, especially in providing security. However, Mongolia is still of great importance to Russia and its importance is rising. Russia encounters illegal Chinese immigrants' problem in the Far East, which definitely underscores Mongolia's strategic significance. Tsedendamba Batbayar highlights:

Because of its location between Russia and China, today, as in the past, Mongolia is likely to be of strategic importance to Russia and to China. Mostly owing to its own weakened position, Moscow is likely to favor Mongolia's adopting a neutral posture vis-à-vis its two neighbors. In this way, Russia would continue to underline the strategic importance of Mongolia and use every opportunity to strengthen its position there.¹⁴⁸

Therefore, Russia, after a period of recession is trying to restore the old prestige in neighboring countries, and it underlines Mongolia, who has been successfully reforming its economic and political institutions according to the democratic principles.

¹⁴⁷ Tumurchuluun, "Mongolia's Foreign Policy Revisited," 281.

¹⁴⁸ Tsedendamba Batbayar, "Mongolian-Russian Relations in the Past Decade," *Asian Survey* (Berkeley, Ca) vol. 43. no. 6 (2003), 953.

In addition, Mongolia's attempt to build compact, efficient, and professional military forces with the assistance of western powers, particularly with the United States, and its active contribution to the international peace support operation undoubtedly raise concerns between Russian elites. Therefore, even though the relationship between Russia and Mongolia seems to be improving, economic constraints and old Soviet legacy prevents it from developing further.

3. Mongolia-United States Relationship

Soviet leadership under Gorbachev pursued a more rational policy than the previous leaders that was broadening Soviet relations beyond Communist states. With the improvement of Sino-Russian relations in the end of the 1980s and Gorbachev's clear indication to withdraw Soviet troops, Mongolia faced a security dilemma. Lacking the Soviet security umbrella seemed the great doom for small, landlocked Mongolia. Therefore, Mongolia effectively began to initiate direct negotiations with the United States, and during the Soviet foreign minister's visit to Ulaanbaatar in January 1986, Mongolia acquired the approval to establish diplomatic relations with the United States. Mongolia did so in January 1987.¹⁴⁹ Since then the United States has been playing an important role in Mongolian foreign relations and is considered the greatest potential third neighbor who could balance Moscow and Beijing's influence. After the demise of the Soviet Union, the United States stayed the only superpower with power projection capability to influence any part of the world. The United States established and opened its embassy in 1988, and Mongolia accredited its first ambassador to the United States in 1989.

a. Political Aspects

Since the very beginning, democracy has been a main impetus or incentive to intensify and strengthen the U.S.-Mongolian relationship. When the ruling party of the Mongolian People's Republic (MPR) resigned under the pressure of the democratic movement forces, there were disputes over domestic policy. However, all competing

¹⁴⁹ Batbayar, "Mongolian-Russian Relations in the Past Decade," 954.

parties reached consensus on the open door foreign policy. Tom Ginsburg notes, “The basic consensus statement committed the Mongolian People’s Revolutionary Party (MPRP) to attract foreign investment, to expand relations with the West and with Asia, to implement a non-aligned, nuclear-free policy, and to prohibit the stationing of foreign troops on Mongolian soil.”¹⁵⁰ Among the relations with the Western countries, the relationship with the United States has been significant due to the U.S. prominence in the contemporary world politics. With the demise of the Soviet Union, the political vacuum was created in the Mongolian plateau, so Mongolians were working hard to fill it. Therefore, in order to break the previous isolation from the rest of the world, except East European Communist regimes, Mongolian leaders established relations with the United States, Japan, and Western Europe. President Ochirbat’s visit to Washington in 1991 was the first high-level visit by a Mongolian President. The very first bilateral documents include an agreement on cooperation in cultural and education affairs, signed in 1989, and MPR and the United States signed in 1990 on a Consular convention between the two countries.

Among the donor nations, the United States paid special attention to the economic difficulties experienced by Mongolia in the beginning of the 1990s. Batbayar highlights, “In January 1991, President Bush requested the congress to grant Mongolia most-favored nation status and in March the Congress passed its resolution for Mongolia’s support of the movement for democracy. The U.S. Secretary of State, James Baker, visited Mongolia twice (1990 and 1991) and urged other countries, including Japan, to join the broad-based world community support for Mongolia.”¹⁵¹ Since then, the United States has been a significant provider of aid and development assistance to Mongolia. While supporting Mongolian democracy and encouraging a free market system, the United States provides various assistance from different sources including security cooperation. Though the United States evaded false expectations about a United

¹⁵⁰ Tom Ginsburg, “Nationalism, Elites, and Mongolia Rapid Transformation,” in *Mongolia in the Twentieth Century: Landlocked Cosmopolitan*, ed. Stephen Kotkin and Bruce A. Elleman (New York: M.E. Sharpe Inc., 1999), 251.

¹⁵¹ Tsedendamba Batbayar, “Foreign Policy and Domestic Reform in Mongolia,” *Central Asian Survey* (Washington D.C.) vol. 22, no. 1. (March 2003), 51.

States de facto relationship, U.S. Secretary of State Albright, during her May 1998 visit, reaffirmed America's assurance to sustain close cooperation in various spheres with Mongolia.¹⁵² Certainly, the U.S. support was significant to Mongolia, when it was admitted to the International Monetary Fund (IMF), the World Bank, and the Asian Development Bank (ADB).

Due to the most important national goal of developing the domestic economy, Mongolia's dominant force in its international relations became economic aspects. It was the major topic of Mongolia and the United States relations initially. Nonetheless, the United States has also given political support. Tumurchuluun underscores,

A good example of this from the point of view of Mongolia's national security was the following statement of support by the Government of the United States: 'If Mongolia ever faces a threat and decides to refer the matter to the United Nations Security Council, the United States, along with other members of the Security Council, would consider appropriate steps to be taken.'¹⁵³

The view of Mongolian Foreign Minister Erdenechuluun notes that in terms of Mongolia's third neighbor policy, Japan and Germany have been playing an instrumental role in alleviating economic and social hardship. To many Mongolian politicians and government officials, the United States would appear as the savior of new Mongolia and the "major pillar" of its national security.¹⁵⁴

The relationship between Mongolia and the United States has continued to grow significantly and high-level officials' visits have become regular. Mongolian Prime Minister Enkhbayar visited Washington in November 2001. A significant turning point of the relations, however, was the Mongolian government's decision to take part in the multinational coalition in Operation Iraqi Freedom. This decision boosted Mongolia's stature in the global community and intensified Mongolian-U.S. relations. A Mongolian contingent in Iraq was the main reason for the first visit of an American president to

¹⁵² Cossa, "Assuring Mongolia's Independence," 16.

¹⁵³ Tumurchuluun, "Mongolia's Foreign Policy Revisited," 286.

¹⁵⁴ Batbayar, "Geopolitics and Mongolia's Search for Post-Soviet Identity," 333.

Mongolia in 2005. Since the Mongolian troop contribution to Iraq, many dignitaries have reciprocally visited. President Bagabandi came to Washington for a meeting with President George W. Bush in July 2004. President Bush, Mrs. Bush, and Secretary of State Condoleezza Rice visited Mongolia in November 2005 and signed the bilateral agreement and cooperation. Mongolian President Enkhbayar visited the White House in October 2007 and the two presidents signed the Millennium Challenge Compact for Mongolia.

b. Economic Aspects

The United States has been a major force to develop the Mongolian economy during and after the transitional period. Main economic relations between the two countries are mostly U.S. assistance programs, besides small, bilateral trade. In 1991, a trade agreement between the government of MPR and the government of the United States, and in 1994, the bilateral investment treaty were signed. The U.S. Agency for International Development (USAID) plays a leading role in providing bilateral development assistance to Mongolia. The program emphasizes two major themes: sustainable, private sector-led economic growth and more effective and accountable governance. Total USAID assistance to Mongolia from 1991 through 2009 was about \$190 million, all in grant form. In the area of economic growth, USAID Mongolia's FY 2009 budget of \$7.5 million was to focus on economic and trade policy, energy sector reform, and national consensus building, with a special emphasis on stabilizing the banking sector and building national consensus on the future of the mining sector.¹⁵⁵ In other words, Mongolia heavily relies on the leading role of the United States since it has lost its patronage relations with the Soviet Union. In all branches of government, or even in nongovernmental sectors, anyone can see a noticeable trend to learn from Western countries, especially the United States.

¹⁵⁵ For more details, see the official Web site of Department of State, <http://www.state.gov/r/pa/ei/bgn/2779.htm#relations> (accessed 18 March 2010).

The following paragraph illustrates how broadly Washington extends its grant to Mongolia, which covers various agencies and sectors, and its intention to intensify the bilateral relations:

USAID funding in 2009 was to support anti-corruption work and help improve the ability of the judiciary to adjudicate commercial cases. In January 2010, through USAID the United States signed an agreement to contribute \$10 million in grant money to assist the people of Mongolia in recovering from the negative effects of the global financial crisis. Provided by the FY 2009 global financial crisis supplemental, the U.S. assistance will help the government meet its deficit reduction targets while maintaining essential social safety net transfers to those hardest hit by the economic crisis. Additional funds also support technical advisors at Mongolia's central bank. Both the budget support and technical assistance are designed to complement the IMF's continuing Stand-By Arrangement with Mongolia.¹⁵⁶

Washington's approval for Most Favorite Nation (MFN) status gave Mongolia quota-free access to the U.S. textile market. Several Mongolian firms, particularly cashmere and leather factories, have been exporting their products to parts of the United States. Recently, Mongolia began the export of world-class vodka to the United States and other countries. At the same time, American firms invested in certain economic sectors, such as oil research and exploitation, heavy equipment, cashmere, and tourism. In 2004, a Trade and Investment Framework Agreement between Mongolia and the United States was signed during the Mongolian President Bagabandi's visit to Washington. Despite the geographic distance, bilateral trade has folded several times since 1991. In 2003, the bilateral trade between Mongolia and the United States reached \$162 million. U.S. firms had invested \$36 million into Mongolia, consisting of four percent of the total investment in Mongolia. Mongolia has been enjoying U.S. support of providing favorable conditions for Mongolian firms.

¹⁵⁶ For more details, see the official Web site of Department of State.

c. Military Aspects

Ulaanbaatar and Washington have improved dramatically military-to-military relations since the beginning of diplomatic relations. Mongolia's aspiration of providing security for its vast terrain after the Soviet troop withdrawal shaped the military cooperation with the remaining sole superpower. With the absence of Soviet military assistance, Mongolia could not maintain the large force that it used to have during the Cold War. Therefore, the Mongolian government greatly downsized the armed forces and openly expressed its intention to reform and to modernize its military. Additionally the military leaders were aware of the backwardness of its military technology and equipment. Mongolia's main intention was to build a compact, efficient, and professional military. Therefore, the basis of the United States and Mongolian military-to-military relations were to assist Mongolia with its improvements in military professionalization and to improve its peacekeeping capability.

Mongolia and the United States exchanged military attaché in 1991. In 1996, Washington and Ulaanbaatar signed an agreement on military exchanges and visits between the two countries. Starting in 1982, Washington started to provide specialized military training and education to Mongolia military personnel through the International Military Education and Training (IMET) program.¹⁵⁷ The frequency of the reciprocating defense officials' visit has been increasing and the Department of Defense (DD) has launched various programs to support Mongolian defense reform and to increase capacity of Mongolia's armed forces to participate in international peacekeeping operations. A series of seminars and conferences were organized in Mongolia and in the United States on various reforming subjects, such as reforming defense planning and budgeting systems, defense resource management, and defense management.

Mongolia contributed small numbers of troops to coalition operations in Iraq and Afghanistan beginning in 2003, gaining experience that enabled it to deploy armed peacekeepers to both UN and NATO peacekeeping missions. As discussed earlier,

¹⁵⁷ For more details visit an official Web site of Mongolian Embassy in the USA, http://www.mongolianembassy.us/mon_mongolia_us_relations/page7 (accessed 12 December 2009).

the decision to send troops was the turning point of the relations. In order to support Mongolia's aim to enhance military relations and to keep its continuous support in the Global War on Terrorism, in 2004, General Richard Myers, Chairman of the Joint Chiefs of Staff, and in 2005, Defense Secretary Donald Rumsfeld visited Mongolia. During both meetings the two sides agreed to expand bilateral relations, enhance the U.S. security assistance program, and increase the number of Mongolian military personnel studying in U.S. military schools. With U.S. Department of Defense assistance and cooperation, Mongolia and the United States have jointly hosted "Khan Quest," the Asian region's premier annual peacekeeping exercise since 2006. The number of participants has grown each year, with the Republic of Korea joining for the first time in 2009.¹⁵⁸

When Mongolia withdrew its troops from Iraq after contributing ten rotations, Mongolia and the United States began the Bilateral Consultative Council (BCC). At the meeting in the United States, Mongolia agreed to send company-size troops to Afghanistan. In addition to these troops, Mongolia also deployed a Mobile Training Team to Afghanistan to support the training of the Afghan National Army. Besides the coalition operations, Mongolian soldiers have been participating in peacekeeping operations in Sierra Leon since 2005, and Mongolia sent its first 800-man peacekeeping battalion to Chad in late 2009. When manning and equipping soldiers for peacekeeping operations, Mongolia has used U.S. military assistance to provide proper gear for the individuals. Besides personnel gear, the United States has provided technological assistance, such as providing field medical and hygiene equipment, optics, night visions, and ballistic vests and helmets.

d. Conclusion

Mongolia became the first Asian Communist state that changed the political system and made the peaceful transition from centrally planning Communism to a market-oriented democracy. Since China remains as a socialist country and Russia still struggles to depart from post-Soviet hardships and regain superpower status, Mongolia needs a third partner to counter-balance them. Friendly United States and Mongolian

¹⁵⁸ For more details see the official Web site of Department of State.

relations have some advantages over Mongolia's relations with Beijing and Moscow because the United States takes the leading role in global peace, economy, and security. Since the establishment of diplomatic relations between the two countries, the United States assisted to shape Mongolian independent policy over the pressure from Moscow and Beijing. Additionally, the U.S. attitude toward Mongolia's political and economic change has greatly influenced the level of participation from other developed countries, particularly Japan. The main incentive of the good relations has been democratic values. Additionally, Mongolia and the United States have the same views on most issues and do not have a negative past legacy and national objectives.

The United States gave an MFN status to Mongolia and quote-free access to the U.S. market for Mongolian firms. During the difficult transition period in Mongolia, when economic growth was unimaginable, the United States offered significant grants. This aid helped the Mongolian people to overcome difficulties, and still the United States is implementing a variety of projects today. Another aspect that truly consolidated Mongolian-U.S. relations was successful military cooperation. Particularly, Mongolia's decision to join the coalition in Iraq absolutely altered the relations in all fields. Nevertheless, even before this decision, the U.S. military was deeply involved in the Mongolian Armed Forces' transformation and modernization process and assisted with building a professional military capable of performing unconventional duties, such as peacekeeping missions. Many officers and NCOs studied and participated in U.S. military schools and field training exercises and seminars. With the assistance of the United States military, Mongolia facilitated the military transformation and its doctrine and managed to send hundreds of peacekeepers abroad. Mongolian Armed Forces today are much smaller, but more professionally oriented and capable of executing multilateral tasks and missions. While military ties between the United States and Mongolia has deepened, it did not replace old Soviet-Mongolian military relations. Furthermore, the improving military cooperation affected other sectors and became the main reason of an American president's historical visit to Mongolia in 2005. In general, Mongolia and the United States both enjoy good bilateral relations with mutual understanding.

4. Mongolian-Japanese Relationship

Japan has been a generous friend of Mongolia since the end of the bipolar system. Mongolia and Japan established diplomatic relations in 1972. Japan assisted Mongolia in 1977 to build the first cashmere factory. Then the relations between Japan and Mongolia were stagnant until the end of the Soviet regime. Japan was the first country to offer assistance during the economic transition period in Mongolia after 1990, and, with the United States, encouraged other developed nations to provide assistance for its democratic reform and economic development.

a. Political Aspects

Since the establishment of diplomatic relations, there was not a wide variety of interactions between Japan and Mongolia, except little, unofficial cultural exchanges. However, after the democratic movement and peaceful political transition, Mongolian-Japanese relations have been developing significantly. In February 1990, Mongolian Prime Minister D. Sodnom visited Japan, and the two countries signed a trade agreement. In addition, Japan granted Mongolia the MFN status, enabling it to promote its trade within a convertible currency area. Japanese Prime Minister Toshiki Kaifu visited Mongolia in 1991 and pledged to give \$15 million of economic aid. Additionally, with Tokyo's initiative, an international conference on aid to Mongolia was co-sponsored by Japan and the World Bank (WB) and held in Tokyo in 1991. Delegations from fourteen countries, including the United States and Germany, and four international institutions, such as the United Nations Development Program (UNDP), IMF, and ADB, took part in the conference, and it created a great opportunity for Mongolia by attracting international attention. Batbayar writes, "The August 1991 visit of Toshiki Kaifu, Prime Minister of Japan, was the first visit to Mongolia by a leader of leading industrialized democracies, demonstrating the Japanese government's strong commitment to Mongolia's newly born democracy and its market transition."¹⁵⁹ The participating organizations and states supported Mongolia's willingness to develop a democratic

¹⁵⁹ Batbayar, "Foreign Policy and Domestic Reform in Mongolia," 51.

society and pledged \$150 million of aid. Japan's share in this pledge equaled \$55 million. Until 1997, Japan jointly organized six other Mongolia support group meetings with the WB. The seventh meeting was held in Mongolia and the number of participating countries and organizations increased dramatically from past meetings.

Since these meetings, Mongolia has attempted to develop a comprehensive partnership with Japan. The manifestation of this policy was "The Joint Statement on Friendship and Cooperation," which was signed during the Mongolian president's visit to Tokyo in 1998. Further solidification of the relationship between Japan and Mongolia was the second visit by a Prime Minister of Japan in 1999. During this visit, Prime Minister Keizo Obuchi presented a new \$60 million official development assistance (ODA) loan to finance the rehabilitation of a thermo-electric power plant along with other economic and technical assistance offerings.¹⁶⁰ Obuchi pointed to this visit as the beginning a new stage of bilateral relations based on shared values of freedom and democracy and reiterated Japan's active support of Mongolia's effort in reform and renovation.¹⁶¹

Japan and Mongolia's officials have been reciprocating each other's visits. For example, in 2003 and 2007 a Mongolian president visited Japan and signed bilateral agreements. H. I. H. Prince and Princess Akishino first visited Mongolia and it was a very special moment for the two countries' relations because royal family in Japan is considered the most respectful part of Japanese culture. During the last decade, a Mongolian prime minister visited Tokyo four times, while Japanese Prime Minister Koizumi visited Mongolia in 2006. During Mongolian President Enkhbayar's visit in 2007 the two sides formulated the "Basic Action Plan for Japan and Mongolia over the Next Ten Years," and agreed to establish a "Public and private joint consultative meeting," which convenes every two years.¹⁶² In the same year, on the occasion of the

¹⁶⁰ Cossa, "Assuring Mongolia's Independence," 15.

¹⁶¹ Tsedendamba Batbayar, "Mongolia and Japan in 1945–1995: A Half Century Considered," in *Mongolia in the Twentieth Century: Landlocked Cosmopolitan*, ed., Stephen Kotkin and Bruce A. Elleman (New York: M.E. Sharpe Inc., 1999), 176.

¹⁶² For more details see the official Web site of Japanese Ministry of Foreign Affairs, <http://www.mofa.go.jp/region/asia-paci/mongolia/>, (accessed 17 March 2010).

35th anniversary of the establishment of diplomatic relations between Japan and Mongolia, Japanese crowned prince Naruhito visited Mongolia and attended the celebration activities. Based on the mutual understanding of the democratic principles, Japanese and Mongolian diplomatic relations have been developing greatly during the last two decades.

b. Economic Aspects

Many Mongolian analysts claim that Japan has been the most generous friend of Mongolia, and it is true in terms of economic assistance. Initially, the economic cooperation between the two countries was principally in the form of humanitarian aid for the Mongolian people, who were fighting economic deterioration in Mongolia during the economic transition toward democracy. Gradually, however, as Mongolian economics improved, the cooperation mostly focused on the development of infrastructure to assist Mongolia in gaining economic self-sufficiency. Japan considers Mongolia a potential area of influence based on the location of the country. Moreover, as the third biggest uranium consumer in the world, Japan is particularly interested in Mongolia's uranium deposit. However, Japanese willingness for close cooperation is overwhelmed by Russia and China. Both neighbors are displeased with the deepening of Japan-Mongolia relations, due to Japan's closest-ally status with the United States and the negative legacy of the Japanese atrocities during WWII.

As mentioned earlier, Japan has provided a significant amount of assistance and loans to Mongolia since 1990. Japan's economic assistance to Mongolia on the government level consists of three main schemes: grants, ODA loans, and technical cooperation.¹⁶³ According to some official statistics, Japanese assistance equaled 131 billion yen from 1991 to 2004, and it is considered seventy percent of the total foreign assistance to Mongolia.¹⁶⁴ Nevertheless, the two countries' trade has been far below than China and Russia's shares in Mongolian trade, and Mongolia's export to Japan equals less than one percent of Japanese import. Six percent of Mongolia's imports

¹⁶³ Batbayar, "Foreign Policy and Domestic Reform in Mongolia," 52.

¹⁶⁴ For more details see the official Web site of Japanese Ministry of Foreign Affairs.

come from Japan, which is relatively smaller than Russia and China's shares. Japan and Mongolia's bilateral trade was limited due to Moscow and Beijing's dominance in foreign trade and geographical distance. Additionally, democratic principles also play an important role in broadening the relationship between Mongolia and Japan, but have become the major reason for Russian and Chinese suspicion. During the visit of the chairman of Mongolian parliament to Japan in 2007, the two countries signed the ODA loan project to build a new airport in Mongolia, which costs approximately 28.8 billion yen.

c. Cultural Exchange

Japan and Mongolia's military relations are limited to the military officials' visits and the few Mongolian cadets who are studying in Japanese military academies. Meanwhile, people-to-people relations have been developing enormously. When Mongolian wrestlers entered the Japanese traditional sport of sumo and started to succeed, understanding the two cultures between Japanese and Mongolian people has become an important subject. The Mongolian sumo wrestlers' performance has become an important topic within the traditional Japanese culture. Mongolians are naturally good wrestlers, and this nature helps them bear the hardships they have faced during the extremely harsh sumo training. Therefore, the two Mongolian sumo wrestlers earned the highest title in professional sumo wrestling and have become a big phenomenon in Japan. Mongolians acquired better knowledge of Japanese traditions, while Japanese people have a chance to see Mongolian life through their sumo wrestlers. In other words, Mongolian sumo wrestlers have become a bridge between the two countries and are confirming already established, friendly relations.

5. Conclusion

Mongolia has only two neighbors and they are huge. Landlocked between these large and nuclear powers leaves Mongolia few possibilities of providing security. However, the geographic location has both negative and positive sides. Its geography locks Mongolia within Moscow and Beijing's spheres of influence and Mongolia lacks

freedom of movement. Nonetheless, Mongolia's geography also protects the country from possible hostility from other powers or regional crime groups. Russia and China cannot be compared with Mongolia geographically, though Mongolia is the nineteenth largest country in the world. Demographically and by military force, Mongolia's two neighbors dwarf the small country. Economically, Mongolia is largely dependent on Moscow and Beijing for petroleum products, commodities, and food items. Particularly, China has the second largest economy in the world and a very cheap labor force with pursuit of reliable and cheap energy source everywhere. China's economic achievement combined with its growing stature has become a looming threat to Mongolia, as China could easily absorb Mongolia's small and developing economy.

Mongolia needs a smart foreign policy; otherwise Moscow and Beijing would easily ignore the fate of this small nation and assimilate it. In particular, China could claim some areas and one analyst notes, "some Mongolians fear that the disputed territories are still regarded by the Chinese elites as Chinese land."¹⁶⁵ History suggests that Russia and China have been playing a trump card, apparently ignoring Mongolia's point of view.

Therefore, the small state of Mongolia pursues independent foreign policy with nonaligned and neutral characteristics. Unfortunately, it is not enough for the unique case of Mongolia. According to realist theory, large and powerful neighbors would dominate over Mongolia's independent policy and interests. Nonetheless, there is a way. The most applicable international theory for Mongolia might be balancing with strong third neighbors (possibly with international organizations) against Moscow and Beijing. In order to accomplish this task Mongolia should continue to preserve regional and international peace and stability and improve its stature within the global community.

Certainly, Moscow and Beijing have special interests in gaining control over the small state between them, which has vast open land with various natural resources, but is scarcely inhabited. Absence of manpower, investment, technology, and hardware leads Mongolia to rarely heavily on foreign direct investment. Though Mongolia focuses on

¹⁶⁵ S. Bayar, "*Mongolia's National Security Challenges*" (San Francisco: Center for Asian Pacific Affairs, Report No. 16, 16 September 1994), 4.

multilateral approaches in political and economic policy, Russia and China restrain this attempt. Furthermore, Russia and China would like to control Mongolia's independent policy as they have in the past. While Russia does not truly engage in this action because of the onset of the economic recovery, China has a true intention to influence Mongolia both politically and economically.

Due to globalization, economic systems have become interrelated. However, a small economy such as Mongolia cannot turn into an effective participant of economic globalization. In contrast, China's economy has been growing by a double-digit rate for the last two decades, and it has become a global hub for production. While other countries' economies do not depend on Mongolia's economy, the Chinese economy has closely associated with the leading economies, and many countries, including the United States, are becoming heavily dependent for commodities on China. Therefore, if this trend continues, Mongolia will become a supplier of raw materials for China's enormous and growing economy. The impossibility of providing cheap labor will exacerbate the effort to produce final products, which could compete in the globalizing world economy. China will protect its special interests in the peripheries. According to various Chinese officials and intellectuals' speeches, Chinese military has new tasks, which include the protection of Chinese growing economic and other interests abroad. Certainly, for this purpose, energy hungry China occupies and secures reefs in the South China Sea claimed by other nations in the region, such as Philippine and Vietnam, and built some permanent structures. Some of these structures were upgraded into a military fortress.¹⁶⁶

China is continuously blaming the United States for pursuing hegemonic policy in Asia. Therefore, Mongolia's third neighbor policy apparently contradicts with Chinese regional power ambition and its aspiration to control its peripheries. The United States and Mongolia share the desire of building a democratic and stable society in East Asia, which could enhance the stability of the entire region. China does not want the United States and Mongolia military-to-military relations to develop further. Additionally,

¹⁶⁶ Ian Storey and You Ji, "China's Aircraft Carrier Ambitions: Seeking Truth from Rumors," *Naval War College Review* (Newport, RI) vol. 57, no. 1 (Winter 2004), 7.

Japan's generous treatment of the newly established, democratic state of Mongolia and the growing bilateral relations truly provoke Chinese dissent. China still opposes Japan's rearmament and its ascension in the regional and international arenas, and Chinese nationalism has been a major cause of the lingering anti-Japanese sentiment. In truth, two countries are competing in the regional politics and economic development, so both sides do not want each other to enhance the influence in the region. In particular, China really does not want pro-Japanese sentiment in Mongolia nor Japan's strong influence.

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IV. POLICY ANALYSIS

Mongolia enjoys friendly relations with every country in the region. The Concept of Foreign Relations highlights the cornerstone of Mongolia's foreign policy relations with Moscow and Beijing. The relations with both neighbors are peaceful and friendly. However, no one knows whether this tranquility will last. Historically, Russia and China had been rivals and allies, and when they antagonized each other Mongolia had to make tough decisions. Mongolia is currently pursuing an independent foreign policy and takes measures to defend it. For this reason, Ravdan Bold states that it is necessary to defend the home country despite the size of the population, military, and stature.

The Concept notes the second priority of the foreign policy as seeking friendly relations with developed Western and Asian nations, such as the United States, Japan, and Germany. Mongolia's "third neighbor" policy stems from this notion. As noted in previous chapters, Mongolia is seeking and developing good relations with these nations. The main objective has been to balance against the pressure from Mongolia's immediate neighbors. Cossa highlights, "Maintaining close, constructive relations with its neighbors and other close friends is another means of preserving Mongolia's independence. From a security standpoint, relations with China and Russia loom largest, given their close proximity and the fact that both have a history of dominance over Mongolia. A policy that preserves good relations with both neighbors without tilting toward either seems the wisest."¹⁶⁷

According to further writings in the Concept, multilateralism takes a respectful place in the context. Mongolia is adopting the policy of developing relations with other nations and international and regional organizations as well. In order to implement this policy Mongolia is attempting to enhance its international stature by various means, including effective participation in international peacekeeping operations.

¹⁶⁷ Cossa, "Assuring Mongolia's Independence," 13.

This chapter discusses the Mongolian policies after the Cold War and assesses the best choices for Mongolia. Additionally, it briefly discusses military aspects that would support the national policy.

A. POLICY OPTIONS AND CHOICES

Mongolia's policy after the demise of the Soviet sphere of influence has been independent, but non-aligned and neutral to its immediate neighbors. This neutral characteristic stems from Mongolia's geostrategic location, sandwiched between two large powers, and from historical bandwagoning with each of them. Mongolian sovereignty has been based on the balance of power between Moscow and Beijing. When this balance was lost, Mongolia's independence was jeopardized, and either Moscow or Beijing destroyed Mongolia's sovereignty and annexed it. Therefore, Mongolia's foremost goal has been to implement foreign policy to preserve and consolidate this balance of power. If Mongolia complies with one side, it provides geostrategic advantage to one of the two neighbors. Because Russia and China are big countries, they might have different interests in various issues, if not contradicted. History has seen both competition and collaboration among China and Russia. Because of this reason, the Concept of Mongolia Foreign Relations clearly defines that the relations with Mongolia's two neighbors are its first priority.

During Soviet dominance in the politics of Mongolia, however, the bandwagoning and balancing approach dominated. Maintaining and strengthening the alliance with the Soviet Union was an important aspect of Mongolia's foreign policy. Mongolia was largely economically dependent on the Soviets, and Mongolia's foreign policy was the tutelage of the USSR. However, the end of the Cold War enabled Mongolia to pursue independent foreign policy. Multilateralism, a third neighbor search, and active contribution to regional and global peace and security are paralleled with the non-aligned and neutral policy toward Moscow and Beijing. Affiliations with international finance organizations and attempts to attract a donor community and foreign investment have become common practices in Mongolia's policy.

As a result, the international community now sees Mongolia with friendly relations with a number of countries while rationally managing good neighborly relations

with its large neighbors, effectively searching for third neighbors, and actively contributing to the preservation of international peace and stability.

1. Multilateral Approach

Multilateralism is Mongolia's major strategy to guarantee national security and economic development. Mongolia's Concept of Foreign Policy states that "in formulating Mongolia's foreign policy and determining its priority directions and objectives, a flexible approach shall be applied, paying close attention to the development of international relations and to the regional and world political situation."¹⁶⁸ This quote clearly expresses Mongolia's desire to implement the multilateral foreign policy.

Though Mongolia's foreign policy priority goes to the immediate neighbors, it truly maintains good relations with most of the nations in the region, including North Korea. Mongolia has bilateral relations with more than 140 countries in the world. It is the only state in the region that does not have territorial and political disputes with other countries. Mongolia has joined more than 140 international and diplomatic agreements and has signed numerous bilateral agreements with a number of countries. For instance, Mongolia signed the "Strategic Partnership" agreements with Japan, Turkey, South Korea, Russia, China, Canada, and Germany from 1997 to 2008.¹⁶⁹ The outcome of Mongolia's multi-polar, open, and independent foreign policy becomes a variety of new and friendly partners in the regional and international arenas. These new partners support Mongolia's transition toward democratic society and guarantee its survival in this fast-changing and globalizing world.

Mongolia joins various regional and international organizations and movements to express its voice and develop multilateral policy. For example, it is a common practice that small states pursue a neutral policy or join the Non-Aligned Movements (NAM). However, conducting a neutral policy or joining the NAM is not a perfect choice for Mongolia. On the contrary, it has been a political tool designed for self-defense. The

¹⁶⁸ Concept of the Mongolian Foreign Policy available online at the Official Website of the Ministry of Foreign affairs, <http://www.mfat.gov.mn/>, (accessed 10 February 2010).

¹⁶⁹ D. Ulambayar, "Third Neighbor and Partnership in Mongolian Foreign Policy," *Strategic Studies Quarterly* (Ulaanbaatar, Institute of Strategic Studies Press) Vol. 3, (2009). 81.

alternative ways to pursue a neutral policy are supporting neither side, staying away from disputes between other actors, and maintaining a flexible posture.¹⁷⁰ Other examples of Mongolia joining other organizations are discussed in the following chapters. The Concept Mongolian Foreign Policy highlights in the article 9:

In its foreign policy Mongolia shall uphold peace, strive to avoid confrontation with other countries, and pursue a multi-base policy. While always championing its national interests, it will at the same time respect the legitimate interests of other countries and its partners. Mongolia will not interfere in the disputes between its two neighboring countries unless the disputes affect Mongolia's national interest. It shall pursue a policy of refraining from joining any military alliance or grouping, allowing the use of its territory or air space against any other country, and the stationing or foreign troops or weapons, including nuclear or any other type of mass destruction weapons in its territory.¹⁷¹

In addition to this clear policy toward its two neighbors, Mongolia had concluded ten more bilateral treaties on security issues both with China and with Russia, besides the Treaty of Friendly Relations and Cooperation between Mongolia and Russia (concluded 1993) and Mongolia and China (1994).¹⁷² Mongolia has pledged to respect the sovereignty of its neighbors and not to interfere in their internal affairs. A corollary to this pledge is Mongolia has no interest in or intention of using Mongolian ethnic issues, since both Russia and China have ethnic Mongol populations.¹⁷³ The main idea here is that Mongolia does not limit its relations only with Moscow and Beijing and definitely wants a variety of countries' interest and support. Mongolian desire is not to be constrained by a certain paradigm for its foreign policy, especially in providing security. Truly, Mongolians want different opinions beyond China and Russia due to the historic lessons. One policy option after the end the Cold War has been Mongolia's persistent search for a third neighbor in order to provide security. This policy option is assessed in the following chapter.

¹⁷⁰ Bold, *The Security of Small State*, 15.

¹⁷¹ For more details visit the official Web site of the Ministry of Foreign Affairs of Mongolia, <http://www.mfat.gov.mn/> was accessed 21 November 2009.

¹⁷² *Mongolian Defense White Paper* (Ulaanbaatar, Ministry of Defense, 1998), 87–95.

¹⁷³ Batbayar, "Geopolitics and Mongolia's Search for Post-Soviet Identity," 333.

2. Third Neighbor Search

A huge aspect of providing security for Mongolia is searching for a third neighbor, while pursuing a friendly policy toward its two neighbors. Mongolia vividly stated in its foreign policy concept that the priority focus will be on its two neighbors and the second focus will be to promote friendly relations with highly developed countries, such as the United States, Japan, and Germany.¹⁷⁴ Mongolian authors generally agree that because of the lack of necessary political and economic weight to implement its declared national security policy, Mongolia needs a strong third power as a counterweight to balance its relations with the immediate neighbors.¹⁷⁵

As Bold states, maintaining bilateral relations between Mongolia and the United States is essential for Mongolia. Due to multiple centers of power in Asia, there will be little likelihood that any single state will dominate the regional politics. From Mongolia's point of view, maintaining a stable but not-too-close triangular relationship between the United States, Russia, and China is very important because confrontation and competition among these powers will reduce Mongolia's freedom of movement.¹⁷⁶ Bold makes the following statement:

Friendly Mongol-American relations give Mongolia a greater sense of security and more confidence in the success of its reforms. Both Russia and China still play a critical role in Mongolia's affairs, but it becomes increasingly clear that the ability of both neighbors to alter Mongolia's relations with the outside world is diminishing.¹⁷⁷

As the relationship between the United States and Mongolia deepens (cooperation between the two militaries has been developed very well in recent years), Russia and China enhance their awareness, and more frequent visits and bilateral agreements have been concluded lately. In November 2005, U.S. President George W. Bush visited Mongolia. He was the first U.S. president to visit Mongolia, and it aroused a wave of

¹⁷⁴ Concept of the Mongolian Foreign Policy available online at the Official Web site of the Ministry of Foreign affairs, <http://www.mfat.gov.mn/>, (accessed 21 November 2009).

¹⁷⁵ Batbayar, "Geopolitics and Mongolia's Search for Post-Soviet Identity," 333.

¹⁷⁶ Bold, "Northeast Asian Security Perspectives," 13.

¹⁷⁷ Ibid., 14.

excitement in Mongolia and a wave of suspicion in its neighbors.¹⁷⁸ The two countries' presidents signed a joint statement and it reaffirmed the longstanding friendship between the United States of America and Mongolia and committed the two countries to define guiding principles and expand the framework of the comprehensive partnership between their two democratic countries based on shared values and common strategic interests.¹⁷⁹ The main implication of this concept is that the destiny, security, and development of Mongolia do not depend only on its two neighbors, but also would like involvement of powerful states' strategic interest, involvement and influence. Therefore, the concept of a third neighbor is a political perception based on military and strategy that stems from the diplomatic policy of seeking a third partner when a small country with difficult geography is pressured by large neighbors.

Japan welcomed Mongolia's search for a third neighbor to deepen its relations and counter-balance against its two neighbors. Mongolia's Foreign Minister Erdenechuluun has the following views:

Trying to reduce the possibility of an unpredictable turn of events that might affect their existence and security, small and weak countries have often turned to third parties so as to balance their relations with immediate neighbors. Whereas this has been true for Mongolia in principle, a single regional player able to outweigh Russia and China can simply not be conceived of in the foreseeable future. One might therefore not think of this neighbor in terms of a single country, but rather as a group of countries, especially those which have consistently supported democratic change in Mongolia. In this respect, special attention should be paid to the role played by Japan (the biggest donor), whose active and all round involvement in the country's difficult transition has been instrumental in alleviating present economic and social hardship. Germany has been playing a similarly important role. To many Mongolian politicians and government officials, the United States would appear as the savior of new Mongolia and "major pillar" of its national security.¹⁸⁰

Since Mongolia transformed its political system, Japan's assistance was invaluable during the economic hardship and the building of new democratic institutions.

¹⁷⁸ Narangoa, "Mongolia and Preventive Diplomacy," 372.

¹⁷⁹ Ulambayar, "Third Neighbor and Partnership in Mongolian Foreign Policy," 83.

¹⁸⁰ Batbayar, "Geopolitics and Mongolia's Search for Post-Soviet Identity," 335.

However, Japan is also interested in being involved in the democracy-building process because it has a strong desire to have influence just north of China. For Mongolians, Japan's robust economic and technological support was important in order to alter Mongolia's Soviet-type economic systems and industrial bases. Certainly, Japan has been the strongest democracy and the U.S. ally in Asia, so the United States expects the Japanese unhesitant response or support in the region. Since Japan and China have been competing for economic dominance in Asia, Japan has been a potential "third neighbor" for Mongolia.

Other powerful countries—Great Britain, France, Germany, and Canada—have been considered a "third neighbor" for Mongolia. Additionally, Turkey and India should not be forgotten due to their weight in regional politics and traditionally good relations with Mongolia. D. Ulambayar considers the economic dependence, import-oriented economy, underdeveloped national industrial base, infrastructure and technology, exports based on raw materials, large social welfare expenditure, landlocked geographical location, limited foreign direct investment, and location between two nuclear powers as the domestic prerequisites to develop and grow a third neighbor relationship in Mongolia. Mongolia's requirements for a third neighbor are: champion the common values of humanity, democracy, market-oriented economy, and human rights; have a willingness to develop a comprehensive partnership; have no disputes between sides; demonstrate cultural awareness; respect the regulations of the UN; have equal perspectives on regional and international relations issues; and support regional and international organizations.¹⁸¹

The third neighbor policy has been important for Mongolia's foreign policy. Li Narangoa contends, "Although the partnership with Russia and China is often referred to as a 'friendship partnership,' that with the United States and Japan is referred to as a 'comprehensive partnership.' It means that the latter countries will be partners not only in economics and trade but also regional politics and security."¹⁸²

¹⁸¹ Ulambayar, "Third Neighbor and Partnership in Mongolian Foreign Policy," 83.

¹⁸² Narangoa, "Mongolia and Preventive Diplomacy," 374.

3. Active Participation in Regional and International Activities

International organizations are one pillar of providing security in Mongolia. Mongolia actively participates in regional and international activities in order to increase its reputation and influence. The Concept of Foreign Policy states that the third focus of Mongolia's foreign policy activity shall be strengthening its position in Asia and securing constructive participation in the political and economic integration process in the region. The fourth focus shall be promoting cooperation with the United Nations Organization and its specialized organizations and with international financial and economic organizations.¹⁸³ Mongolia is a member of more than 40 regional and international organizations including the UN, WB, IMF, WTO, ADB, and NAM and is affiliated with 140 multilateral agreements. Additionally, Mongolia has held an observer status in a number of organizations including Shanghai Cooperation Organization (SCO), which was established by the Chinese initiative. Mongolia's status in SCO is discussed later in this chapter.

In order to avoid the influence of its two neighbors, Mongolia seeks assistance from the donor community instead of China and Russia during its transitional period between a centrally planned economy and a market-oriented economy. Mongolia became a member of the ADB and World Bank in February 1991, and they have been leading donors of the country. They have been concentrating on economic fostering and growth, urban development, promotion of governance, building a foundation for effective macroeconomic management, alleviating poverty, rehabilitation of infrastructure, and improving banking and enterprising systems.¹⁸⁴ The main reason for mentioning these donor organizations is to emphasize that Mongolia has been attempting to receive assistance and grants from international organizations and donor communities, even though a large portion of them has come from its two neighbors, especially China.

Mongolia also has been an active member of the UN. It has joined numerous agreements and banning treaties in regards to global disarmament and non-proliferation.

¹⁸³ Official Web site of the Ministry of Foreign affairs, <http://www.mfat.gov.mn/> (accessed 21 November 2009).

¹⁸⁴ Batbayar, "Foreign Policy and Domestic Reform in Mongolia, 53–57.

Mongolia's declaration as a nuclear-weapon-free zone (NWFZ) was a main contribution toward this goal. Sandwiched between two nuclear giants, Mongolia feels threatened because if either neighbor strikes against the other, Mongolia will be affected directly. The nuclear-weapon-free initiative is important not only for Mongolia but also for regional security. Therefore, when the Soviet troops were being withdrawn and Mongolia was setting up its new Constitution in 1992, Mongolia declared its territory to be a nuclear-weapon-free zone at the 47th session of the UN General Assembly. Although, this decision has been a difficult issue for Mongolians to prove and to have endorsed, the biggest nuclear powers in the world appreciated and respected it. Additionally, though it has not been recognized under international law, five official nuclear states jointly declared in October 2000 that they would provide assurance of Mongolia's security.¹⁸⁵ In addition, Mongolia has effectively contributed to UN peace operations since it sent the first two observers abroad in 2002. For a very short time, Mongolia became a dynamic contributor to the peace building and peacekeeping activities. Mongolia's contribution is discussed later in the chapter.

Mongolia is the newest member of the ASEAN Regional Forum (ARF), which is the meeting of 26 members to discuss regional security issues. The ARF main objectives are to foster constructive dialogue and consultation on political and security issues of common interest and concern and to make significant contributions to efforts toward confidence-building and preventive diplomacy in the Asia-Pacific region.¹⁸⁶ The main reason Mongolia participates in this forum is the participation of its two immediate neighbors and potential third partners, such as the United States, Japan, South Korea, and India. This annual ministerial gathering, first held in 1994, provides a clear signal of the growing broader regional commitment to multilateral security dialogue throughout the Asia-Pacific.

¹⁸⁵ Narangoa, "Mongolia and Preventive Diplomacy," 367–372.

¹⁸⁶ More details on ARF agenda and objectives could be found at <http://www.aseanregionalforum.org/AboutUs/ARFObjectives/tabid/129/Default.aspx>, (accessed 22 April 2010).

However, Mongolia is still seeking membership in Asia Pacific Economic Cooperation (APEC) and is not a member of other key regional organizations that primarily concentrate on economic cooperation, such as ASEAN Plus Three and the East Asia Summit (EAS).

a. Shanghai Cooperation Organization

Mongolia applied for observer status of the Shanghai SCO, and it was granted in 2004. Vital aspects of the SCO's agenda to Mongolia were cooperation in security, economics, and trade and transport networks in Central Asia. The most important aspect was the SCO principle that emphasizes "mutual respect of sovereignty, independence, territorial integrity of States and inviolability of state borders, non-aggression, and non-interference in internal affairs, non-use of force or threat of its use in international relations, seeking no unilateral military superiority in adjacent area."¹⁸⁷ The main purpose of Mongolia participating in this Sino-Russian-led security organization is the effective usage of the principle that highlights "sovereignty," "territorial integrity," and "no unilateral military superiority in adjacent areas," which Mongolia exactly wanted from its neighbors.¹⁸⁸ As mentioned by Li Narangoa, this is one example of how Mongolia has used a regional organization to maintain distance from its neighbors.

Initially, the PRC did not welcome Mongolia into the SCO because China thought Mongolia was distinct from Central Asian states and did not have a necessity for the establishment of a secure peripheral area. However, Mongolia's open and multilateral policy and the improving relations with the United States, Japan, and Russia, who have been the strongest actors in the regional arena, led China to include Mongolia in the organization. Moreover, the expansion of terrorism and its ambiguity of the origin along with ethnic separatist issues stimulated China to invite its northern neighbor. Mongolian leaders also agreed to be a part of the SCO in order to be aware of the immediate neighbors' intentions in regional security building.

¹⁸⁷ For more details visit the SCO official Web site, <http://www.secsco.org/EN/> (accessed 10 March 2010).

¹⁸⁸ Narangoa, "Mongolia and Preventive Diplomacy," 364–367.

Mongolia is not seeking full-membership status in SCO. The SCO stemmed from Shanghai Five security group in 2001 and it is comprised of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. If Mongolia becomes a member of the organization, pressures from Russia and China would intensify with regards to implementing membership obligations. Moreover, if Russia and China dissent on any issue, Mongolia will be forced to make a difficult choice between them. It contradicts with Mongolia's foreign policy principle of a nonaligned and neutral policy toward its immediate neighbors.

According to the "Regulations on Observer Status in SCO," observers have a right to attend open meetings and conferences, to participate in discussions without the right to vote, and to deliver a speech or circulate written statements at meetings of the SCO institutions with ten days' prior notice. Nevertheless, observer states do not have the right to participate in preparation and signing of documents and decisions of the organization. In addition, observers do not take part in formulating decisions of SCO institutions.¹⁸⁹

The SCO remains the world's only regional security mechanism without direct U.S. participation. Therefore, the United States has been suspicious about the real agenda of the organization, and Washington assesses that China and Russia are expanding their spheres of influence in Central Asia through the organization. This is not without basis because member states are trying to develop military cooperation and trust by reducing misperceptions and preventing future conflicts. This agenda includes prevention of other militaries' presence in the region, thus SCO has an objective to limit U.S. political and military expansion in the region. This definitely bears constraint to Mongolia's aspiration to build a more close relationship with the United States. Particularly, Mongolia's desire to build a professional military capable of doing multilateral tasks engages it with the leading military forces in the world—a membership status could halt this trend.

¹⁸⁹ Narangoa, "Mongolia and Preventive Diplomacy," 365–366.

Since its establishment, the SCO's role has been gradually increasing, and now its agenda covers not only border and regional security, counter-terrorism, and trade, but also energy, transportation, environmental protection, and technological and cultural exchange.¹⁹⁰ Since Russia and China play the largest role in its foreign trade, Mongolia's observer status in the SCO gives it the great advantage of seeing how the SCO member countries consider providing security in the region. Although it is impossible to acquire all necessary information regarding Russia and China's policy toward their neighbors, Mongolia could experience the relations between powerful and weak countries in the SCO's environment. With the exception of Kazakhstan, other members in the organization are facing similar circumstances that Mongolia has been experiencing, such as landlocked location, much smaller population, economic dependence, and having lingering fear that of assimilation through settled border disputes.

b. Participation in Peace Support and other Multinational Operations

Mongolia established an office in 1998 to manage professionalization of the Mongolian Armed Forces and to plan, prepare, and send troops to international peacekeeping and multinational operations. The State Great Khural passed the law of "Participation of military and civilian policy personnel in UN peace operations" in 2002 that regulates and provides a legal environment for sending personnel abroad. The law regulates coordination and other responsibilities for Mongolian government agencies, including decision-making procedures for participation in peacekeeping operations. Also, the legislation provides opportunities for military and police personnel to participate in non-UN missions, such as coalition and disaster-relief operations. By 2002, Mongolia had established the domestic legal basis for participation, had started to develop national expertise, and was seeking opportunities in peace support operations.¹⁹¹

¹⁹⁰ Narangoa, "Mongolia and Preventive Diplomacy," 365.

¹⁹¹ Jargalsaikhan Mendee, *Mongolia's Peacekeeping Commitment: Training, Deployment, and Evolution of Field Information Capabilities* (Washington, D.C: National Defense Intelligence College press, 2007), 4.

It was an entirely new direction of development for the country's armed forces, and since 2003, Mongolian troops took part in several peacekeeping and observer missions and sent ten rotations to Iraq and MTT to Afghanistan. Mongolia first sent two military observers to Congo in 2002. Today, Mongolia ranks 38th out of the top 100 troop-contributing UN member states.¹⁹² Since 2002, more than 1,000 Mongolian troops have been in operation in Iraq and Afghanistan, 70 troops have been in the peacekeeping operation in the Balkans, and more than 1,500 troops have participated UN peace operations in Sierra Leone (UNMIL) and Chad (MINURCAT). Mongolia sent the first independent battalion-size force to MINURCAT in 2009.

Jargalsaikhan Mendee notes that the warrior spirit, adaptability in various environments, and Mongolia's friendly relations with other countries are unique characteristics associated with Mongolia's military that afford them many opportunities to contribute to international peace support operations.¹⁹³ By involving all these activities, Mongolia is enabled to raise its stature among international communities; many countries are starting to recognize Mongolia's intention to keep peace and stability. The Mongolian military realized the impossibility of providing security in terms of military forces. Therefore, military and civilian leaders are agreed to using the military for the support of the overall national policy through the contribution to UN peacekeeping and other international and humanitarian operations.

B. POLICY OPTIONS AND CHOICES

Mongolia has been enjoying the implementation of an independent foreign policy after seven decades of tutelage from the Soviet Union. However, its landlocked location, small demography, and underdeveloped economy still engender anxiety within the Mongolian people. One can easily find facts that China has been at the heart of the Mongolian people's concern. Tom Ginsburg made the following statement:

¹⁹² Rankings of Military and Police Contributions to UN operations available online at <http://www.un.org/en/peacekeeping/contributors/> (accessed 15 April 2010).

¹⁹³ Mendee, *Mongolia's Peacekeeping Commitment*, 4.

Distrust of China runs deep in the population. Despite a decade of double-digit growth in China that would seem to render it a natural source of markets and economic cooperation, Mongolians commonly assert that China is an unattractive partner.¹⁹⁴

Though Ginsburg mentioned it fifteen years ago, credibility of this assumption still exists. Therefore, Mongolia should maintain its current policy of developing democratic principles and a national economy, and growing friendly relations with other countries, which would raise the stature of Mongolia, while Russia and China are preoccupied by domestic issues.

China's significant military rise and modernization, with an ambiguous objective, concerns not only Mongolia but also the regional powers. Even the United States has great concern, though it is still far further advanced than China. Shambaugh claims,

Even though some countries remain unsure of China's long-term ambitions and are adopting hedging policies against the possibility of a more aggressive China, the majority of Asian states currently view China as more benign than malign and are accommodating themselves to its rise.¹⁹⁵

Even so, Mongolia should not repeat its historical mistake of occasionally leaning toward one of its two neighbors; therefore, it should maintain pursuing an independent, neutral, multi-polar but friendly foreign policy. This practice includes Mongolia's friendly but nonaligning policy toward its two neighbors as the highest priority, followed by active participation in the regional and international activities, efforts to seek reliable third neighbors, and attempts to have itself recognized as a nuclear-weapon-free zone.

1. Political

Due to many pragmatic reasons, Mongolia's security has been shaped by its two neighbors and their relations. When relations with one of them or their relations with each other deteriorate, Mongolia's security is in danger. In other words, balance of power

¹⁹⁴ Ginsburg, "Nationalism, Elites, and Mongolia Rapid Transformation," 254.

¹⁹⁵ David Shambaugh, "China Engages Asia: Reshaping the Regional Order," *International Security*, 29, no. 3 (Winter 2004/05), 67.

between its two neighbors shapes Mongolia's foreign policy options. Mongolia, therefore, should implement measures to maintain and strengthen this balance of power. It should be implemented by supporting China and Russia's role in regional affairs as responsible leaders. Certainly, Moscow and Beijing's stature in the region is enormous; thus, Mongolia should politely remind them, specifically China, of the responsibility of powerful countries in regional affairs. While maintaining friendly relations with Moscow and Beijing, Mongolia should manifest the aspiration of keeping this friendly environment. However, Mongolia should also freely express that it would not solely rely on its two neighbors for providing security. Maintaining proper distance from them and attempting to reduce dependency will be another measure for Mongolia. Active participation in regional and international activities stem from this notion.

Mongolia has been an active and effective participant in regional and international activities. Ravdan Bold makes the following statement:

The capacity of the small nations to survive and exist is determined by their ability to take full advantage of the mechanisms of international relations and by their internal unity and harmony. Given the present features of international relations, small nations have an unprecedented opportunity to advance their national interests within the framework of multilateral cooperation irrespective of the difference in the balance of forces.¹⁹⁶

Due to globalization and the development of information technology, the speed of information has become enormous and even tiny news in small states spreads easily. Besides international organizations, the number of responsible powers is increasing and small states subtly have used this opportunity. Additionally, small states are actively involved with certain organizations in order to provide security for themselves. Their dynamic has been enormous because these organizations' main agenda is the economic, political, and security issues of small states. Moreover, a multilateral approach gives more opportunity to small states than bilateral relations between strong and weak states, which was ubiquitous in history.

¹⁹⁶ Bold, *The Security of Small State*, 22.

Mongolia certainly needs third neighbors. Not only the United States, but also other countries would be significant for balancing power if China or Russia threatens Mongolia. Mongolia implements independent policy when issues do not contradict with its two neighbors' interests. For example, Mongolia sent its small contingent to Iraq, and it was a part of Mongolia's independent policy to support the greatest potential third neighbor—the United States. Additionally, this involvement was a manifestation of Mongolia's willingness to cooperate with third partners, though Moscow and Beijing opposed. Mongolians consider the United States as a savior of the democratic achievement in the country. Japan definitely maintains a major role of providing crucial economic assistance and loans. As elaborated in the Former Prime Minister of Mongolia Enkhbayar's speech, Mongolia refers to India as a third neighbor in a cultural sense, to Korea and Japan as third neighbors in economic terms, and to the United States as a third neighbor in strategic terms.¹⁹⁷ Mongolia could exploit its good relations with North Korea to improve the regional security and stability. Moreover, an active involvement improves Mongolia's reputation not only in the region, but also in the global community.

Lastly, even though it is difficult for a single country to achieve a nuclear-weapon-free zone, Mongolia should continue its efforts toward recognition by other states. History experienced the edge of the potential nuclear war between Mongolia's direct neighbors. During that period, Mongolia was under direct threat of nuclear annihilation by the two neighbors' confrontation. Therefore, it is not enough to announce its territory a nuclear-weapon-free zone. Mongolia needs to intensify the attempts to be recognized by the international community. It is not the best solution to provide security or prevent nuclear attacks, but it gives opportunity for contribution to non-proliferation and banning nuclear tests. In this case, Mongolia's declaration as a nuclear-weapon-free zone will strengthen national security.

2. Military

Obviously, Mongolia could not overwhelm its two neighbors by any means. Exploiting incremental double-digit economic growth, China has been implementing

¹⁹⁷ Batbayar, "Geopolitics and Mongolia's Search for Post-Soviet Identity," 334.

ambitious military modernization for the past two decades. As China pursues a policy to improve its military qualitatively, Russia has been facing a number of difficulties, including a shortage of funding to maintain its military modernization and transformation. During recent years, China has been fielding experimental (Special Operations Forces) units, and the PLA's most powerful ground forces are still located in Beijing and Shenyang Military Regions. Therefore, Mongolia should continue to build compact, capable, and professionally oriented military.

Since a small states' survival largely depends on its educational, scientific, cultural, intellectual, and information potentials, Mongolia should possess modern, professional, and smart military forces. Recent years experienced the broad development of military foreign education, and Mongolian military personnel have been receiving a professional military education in the United States, France, United Kingdom, South Korea, China, Canada, Germany, Russian, and Turkey. Mongolian Armed Forces should increase the number of specialists in state-of-the-art technology. Particularly, it should train more officers and NCOs in EW and IW and teach classes on RMA. Mongolia should continue to build professional NCO corps. During recent years, the number of NCOs in the Armed Forces is increasing, and the contracted soldiers are becoming an inseparable part of the professional military in Mongolia. Along with the increase in numbers, the responsibility of NCOs is dramatically extending and increasing, and Mongolia should maintain this track.

Mongolia's self-defense system should be based on the integrated defense system relying on territorial defense.¹⁹⁸ This is an integrated defense system built not only on the armed forces, but is an organized arrangement with the broad involvement of citizens. It is a defense system designed to independently oppose and neutralize foreign armed and limited aggressions, starting from the state borders and extending deep into the hinterland.¹⁹⁹ Therefore, Mongolia should implement a defense policy to build local forces with proper training, to locate defense resources based on this system, and acquire certain military equipment and weaponries suitable for the system. Due to its large

¹⁹⁸ The Basis of the State Military Policy (Ulaanbaatar, 1999), 34.

¹⁹⁹ Bold, *The Security of Small State*, 22.

territory and scarce habitation, Mongolia should possess a current and efficient air defense system in conjunction with compact, mobile, and professional troops who are capable of planning and executing multilateral tasks. Additionally, other military hardware, such as air transportation assets, high-mobility vehicles, and self-support assets, should not be ignored.

The armed forces should be a sustaining method of providing security, using diplomacy and negotiations. One way of doing this has been Mongolia's contribution to UN peace operations and other multinational operations. Due to Mongolia's participation in Iraq and Afghanistan operations, many countries have become familiar with it and its state reputation has been rising sharply. In addition, Mongolian peacekeepers in Sierra Leon and Chad and observers in various countries were esteemed by their devotion, professionalization, stamina, and discipline. Consequently, the Mongolian military should maintain its peacekeeping contribution to provide endorsement to its foreign policy.

V. CONCLUSION

The PRC has pursued an ambitious program to modernize its military, aware of lagging far behind the modern Western militaries, especially the United States armed forces. The modernization process has the main objective of filling the gap between the PLA and advanced militaries in the world and transforming the PLA into a decisive, modern and effective fighting force. The PLA ground forces still concentrate north of Beijing and has fielded more professional and special forces and its mobility has increased greatly. PLAAF has acquired more capable and modern planes with greater range, and the PLAN builds blue-water capability. As a result, China is developing joint forces with great power projection capability. Though many Western analysts suggest China still lags behind the leading military nations, it possesses a formidable threat to its neighboring countries. In particular, Mongolia has been under the direct threat of the looming Chinese military forces.

It is hard to protect Mongolia using only its military. The Mongolian military could be a tool to backup the national policy of maintaining harmony with others. So far, China surpasses Mongolia in every field—economy, demography, technology, and military. Therefore, Mongolia implements multilateral policy while its relations with Moscow and Beijing receive highest priority. In other words, Mongolia no longer relies on a single source to provide security. The term *security* here includes all aspects, such as military, economy, culture, and ethnicity. Unfortunately, Mongolia's desire to implement multilateral policy apparently contradicts the interests of its two neighbors, especially the growing interests of China's economy, military, and politics. Thus, an indirect threat from China is imminent, and this perspective is manifested in several aspects.

Credible reasons support the notion that China poses an imminent threat to Mongolia. First, Mongolia is landlocked between two nuclear powers, China is still a communist state, and Russia is not truly democratic. Second, Mongolia's economic backbone has been animal husbandry for years, but it has been replaced by extracting and exploiting natural resources. Recent discoveries show that Mongolia has rich natural resources, such as copper, gold, coal and uranium. Unfortunately, Mongolia lacks the

financial and technological capability to use these resources, so its mining development strongly relies on foreign direct investment. Both China and Russia have special interests to exploit them. In particular, with China's quickly growing economy and energy needs, Beijing pays special attention to these resources and does not want other countries involved. Third, Mongolia has been almost completely dependent on commodities from China and petroleum products from Russia. China is a big player in the global market, and Russia is one of the biggest oil and natural gas exporters to many European Union states. In contrast, Mongolia's economy is underdeveloped, and no other economy is dependent on Mongolia. Since the PRC places highest priority on safeguarding the Communist regime and Communist policy, its new tasks include protecting Chinese economic interests. In other words, China threatens to use force, if not really use it, to secure natural resources essential for its quickly growing economy.

The Chinese common perception of the U.S. policy toward Asia is of a "hegemonic" approach, and its basic method of dealing with this dominance has been simply a resistance. While resisting U.S. dominance, China continues to pursue a peaceful policy that attracts its East Asian neighbors, including Mongolia. A main objective has been to deny a uni-polar world led by the United States and to create multi-polar world. Another assumption of China's in regards of the United States is the perception of being encircled by U.S. power and influence. Therefore, China is definitely displeased by Mongolia's attempts to create close relations with the United States, and certainly dislikes growing military interactions between Mongolia and the United States. Moreover, China will not welcome intensifying Mongolia-Japan relations. Due to the historical incidents China experienced during the WWII and steer Chinese nationalism against Japanese influence in Asia. Japan's attempt to gain a permanent seat in the UN Security Council was overtly and dramatically opposed by Beijing. For this reason, China was dissatisfied by the Mongolia's withdrawal of its attempt to gain this seat in order to support Japan.

The research on international relations theory in this thesis suggests that the most applicable theory would be to balance against the power of Mongolia's direct neighbors with third neighbors, including states and regional and international organizations.

However, Mongolia should avoid cooperation with certain issues that are directly related to or conflict with Moscow and Beijing's interests. This does not mean Mongolia simply accepts China and Russia's interests while making decisions. Therefore, balancing should combine with appropriate aspects of other theories, such as neutrality, preventive diplomacy, and liberalization.

China's direct threat to Mongolia, however, is unlikely for the following reasons: First, China is concentrating on its economic development and other security issues, such as the Taiwan Strait issue and disputes in the South China Sea. Second, in order to keep a peaceful context for its economic achievement and raise its international stature, China will continue a peaceful rise for some time and certainly will continue good relations with its neighbors. Third, many powers including the United States want China to be a responsible power that shares responsibility to keep and improve stability and order in the region and world. In addition, China is eager to stay on its current path of becoming a global hub for commodity production and attracting foreign direct investment, while enjoying double digit GDP growth annually. Fourth, China's largest rivalry in the Asia-Pacific region is Russia, which struggles with its domestic issues and economic recovery. Fifth, the United States is the sole super-power with true global power projection capability, and China lags far behind the United States. Consequently, Mongolia enjoys relatively peaceful relations with both of its neighbors and takes advantage of China's growing economic achievement. It is, however, uncertain for Mongolia and other countries how long this good relationship will last.

The implications of the Chinese military rise, therefore, are enormous for Mongolian security. Though a direct threat or military attack is unlikely, the indirect threat through economic, political, and cultural approaches could be gigantic. China will implement policy to effectively influence and disrupt Mongolia's independent and multilateral policy under the umbrella of the rising military significance. In particular, Chinese economic interest and influence in Mongolia is imminent and may absorb Mongolia's small economy if Mongolia does not implement proper economic policy. As long as the PLA remains the greatest potential tool for the legitimacy of the CCP as a "party army," China poses great danger to Mongolia's security. All the security aspects

stated in the Concept of the National Security of Mongolia—such as the existence of Mongolia, economic security, scientific and technological security, security of information, security of Mongolian civilization, and security of the population—may easily be threatened.

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